DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 61 Section 1 December 11, 1926.

WATERWAY LEGISLATION The creation of a waterways and water resources commission was provided for in a bill yesterday by Senator Cameron, according to the press to-day.

A suggestion that building the proposed St.Lawrence Waterway in cooperation with Canada would create an "entangling alliance" that might seriously embarrass the United States in the future was made yesterday by Representative Dempsey of New York, chairman of the House committee on rivers and harbors and sponsor of an All-American Canal from the Great Lakes to the Hudson. He indicated that the St.Lawrence plan would have the right of way in the House, that it would be beaten and that Congress would then be asked to choose the All-American route. (Press, Dec. 11.)

EFFICIENCY BUREAU WOULD ELIMINATE REPORTS Discontinuance of 88 reports and statements to Congress, omission of 37 references to obsolete reports and elimination of 62 duplicate references to obsolete reports are recommended in the annual report of the Bureau of Efficiency, of which Herbert D. Brown is chief, for the fiscal year ending October 31, 1926. Dealing with statistical work of the Government, the report of this bureau which investigates Federal business methods and personnel, states that the Bureau of Census is the logical unit in which to concentrate all nonadministrative statistics, its sole function being collection and dissemination of statistical information. The centralization would result in economy of collection of original data, improvement in output and distribution. A study of 64 new investigations to be undertaken by Government branches showed that none of them would constitute duplication of work. (Press, Dec. 11.)

MELLON PREDICTS PROSPERITY The press of December 10 reports: "Declaring that this country has reached a level of national income not before exceeded and that 'we can look forward to another satisfactory year;' Secretary Mellon in his annual report made public December 9 presented an optimistic picture of favorable economic progress at home and abroad. The strength of domestic prosperity, the Secretary of the Treasury said, was 'the broadness of its base,' and he added that with all the spending incident to record building programs and heavy instalment buying, savings accounts had gone up, more life insurance was being written and bond securities were being sought by the small investor. Discussing conditions abroad, Secretary Mellon said that the last year had seen a 'notable improvement' in the stability of the world and in the increase of its trade, and he expressed the opinion that Europe was progressing and 'we can look for continued improvement abroad.'...."

THE ANNUAL REPORT An editorial in The Washington Post to-day says: "Secretary Jardine's annual report is full of sound advice to those producers who appear to be discontented and anxious to compel the Government through Congress to seek a short but unwise solution of what is called the farm relief problem...."

Section 2

Business Conditions

Somewhat more quiet but prosperous conditions for 1927 are foreseen by the American Bankers Association Journal, which says in its monthly business discussion: "The general business situation continues very satisfactory and banking leaders view the outlook with confidence. The last month has brought no material changes, the shifting currents in industry tending to balance each other. The United States will close the year 1926 as the most prosperous in history and enter the new year with unprecedented conditions for continuation of the prosperity wave. While it is rather early to form any definite opinions as to 1927 business, it appears not unlikely that it will be found somewhat more quiet, that is to say, that volume may not quite measure up to the breakneck pace of 1925 and 1926, and that industry and commerce will run along a settled and highly competitive course. Three major factors that have recently been the subject of concern, namely, building operations, the automobile industry and the cotton situation in the South, all show signs that they will be able to work out satisfactorily and that such readjustments as may be necessary need not affect general business to any serious degree.....The outlook for the automobile industry, as a whole, is still bright, and reliable authorities, who a few years ago talked of 20,000,000 cars in this country as their goal, have recently revised this figure to 40,000,000 before the saturation point is reached. However, the outlook for many individual units in the industry is not so bright. Nevertheless, there are grounds for believing that such readjustments as must eventually be made will take place in an orderly manner.....The third question-mark in business has been the cotton situation. No demoralization has taken place in the South, as was feared by some people, and many cotton planters will realize a better return from a large crop at low prices than from a short crop at fancy prices. Moreover, the low prices have been a boon to the textile industry, which in recent months has been buying heavily of the staple and seems in a fair way to operate at a profit for the first time in years. Exports are moving in large volume to Germany, Great Britain, France, Italy and Japan. If the present large crop at low prices can bring a revival of the mill industry from its state of depression the southern farmers will be benefited accordingly. The emergency plans by the Government are proceeding, and cotton finance corporations have been chartered in some of the States to aid the farmers in holding their cotton until prices show improvement."

Cotton Control

W.B.Roberts of Rosedale, Miss., cotton grower and State Senator, writes to Commerce and Finance for December 8 as follows: "With a carryover of American cotton now assured of at least 8,000,000 bales next Aug. 1, because the carryover estimated does not include linters and the world consumption figure of 15,000,000 bales does so include linters, we are, it seems, confronted with the idea that unless there is either a crop disaster more profound than any we have ever had or a reduction of acreage that will reduce the crop to nearly 10,000,000 bales, there isn't much hope for a serious advance in the future. The proposal to withdraw 4,000,000 bales from the market must destroy any hope of much better prices in 1927 and 1928 (18 months withdrawal) unless there is a drastic acreage reduction. Judging by the past, the present campaign for reduction will, with economic conditions and general want of pep, reduce the acreage 15 per cent which is more than the other campaigns reduced it. It is evident that will not be

sufficient. The weakness in the proposition is, of course, in the fact that it asks us in the Delta and others like us who plant 80 per cent in cotton to reduce to 60 per cent while many thousands who plant say 20 or 30 per cent are asked to reduce to 15 per cent or 22½ per cent of their acreage. And of course the latter class revolt. I notice you say that taxation is the only way to control the matter by legislation. Undoubtedly a law imposing a tax of say $5 per acre on the business of growing cotton and exempting from its provisions all growers who plant one half their cultivated lands in food crops would stand up and would bear justly on all alike and the writer advocates such a law in each State to go in effect when all States producing 1,000,000 bales annually have passed a law of similar effect. Also a law prohibiting the planting of cotton or oats or sorghum or other soil exhausting plants in excess of one half of planted lands would stand up under the soil conservation clause (general welfare). Either of these laws would bear justly on all, would create a permanent basis on which to keep the South prosperous, and do the work. If newspapers advertised it and the people understood it the result might be obtained...."

Crop Holding An editorial in Ohio Stockman and Farmer for December 11 says: "Out in Illinois is a man who has over 30,000 bushels of grain on his farm, all raised there. Some years ago he vowed that he would not sell another bushel until the price reached a certain point and it has never gone that high. We have known several cases of this kind. One wool grower held every clip from the Civil War until his death, waiting for a dollar a pound. An Ohio farmer fed the same load of cattle four successive winters, losing some of them by death before he finally sent them to market. All folly, of course, and extreme instances of it. Those who hold cattle over from one year to another and make them so heavy that nobody wants them, those who keep their lambs until they become too heavy to realize a good price, those who keep anything until some of it spoils or wastes, are guilty of the same folly, but to a lesser degree. As a rule the early loss in such things is the least loss. Better take it and forget it while raising or fitting something that has a chance to show a profit."

Farm Freight James E. Boyle, Professor or Rural Economy, Cornell University, is the author of an extensive article entitled "Jones Does Pay the Freight," in The Nation's Business for December. He says in part: "Various farm organizations are making a vigorous campaign to secure lower freight rates on agricultural commodities produced in the Middle West. The reason for this action is easy to understand. Nature has placed this part of the continent a long way from the Atlantic seaboard. On the other hand, most of the large food-consuming centers of population are located near the seaboard. This touches the Midwest farmers' pocketbook nerve. Thus the Illinois farmer, with a carload of corn ready to ship to Boston, finds the freight on this corn to be twenty-two cents a bushel. When this sum is deducted from the price of his corn he does not have enough left, he feels, to pay costs of production plus a reasonable profit. The campaign for lower freight rates for the farmer is based on the hypothesis that the farmer pays the freight on agricultural products. Is this assumption correct? Now, who does pay the freight? The wholesaler says he does; the retailer says he does; the ultimate consumer says he does. The farmer

says, 'Yes, that may all be true, but the freight is deducted from the price I receive, so I pay the freight.'...The discussion narrows down to two questions, does the consumer pay the freight? Or, does the farmer pay the freight? An increase in freight rates, conversely, imposes a double penalty on the farmer; he gets less for his crops; he gets less for his land. But the new buyer is neither benefited nor penalized by the change in freight rates. The yet more remote effect is the possibility or probability of stimulating overproduction by lowering freight rates, and thus injuring all the farmers concerned The 'agricultural surplus' is now a real bugaboo. The consumer pays the freight. But any change in an agricultural freight rate has two effects on the existing land-owner, who is located far from market. An increase in freight charges lowers the value of his crops and of his land; he is twice penalized. A decrease in freight costs raises the value of his crops and of his land. He is doubly rewarded...In view of these facts freight rates, once in effect, should not be changed except for very serious and weighty reasons. Farming adjusts itself to the freight rate, if the rate is left alone long enough. The Interstate Commerce Commission should not lightly change a rate, unless the commission consciously and deliberately decides to cause some shifts in agricultural production. Does the commission want to move Iowa five hundred miles nearer to New York? If this thing is really desired, it can be done by a small lowering of the freight rates on Iowa products. But 'shifts in agricultural production' are looked on as profound problems in farm management which the Interstate Commerce Commission, even with the aid of the whole Department of Agriculture, would have some embarrassment in solving."

Immigration Quota

"The frequency with which reference is made to the extent of numerical limitation, and the evident misunderstanding which exists," says the Secretary of Labor, "suggests the necessity for calling attention to the fact that the Quota does not embrace all admissions to the United States, nor does its limitations apply even to all classes of persons who are legally admitted to the country for permanent residence. For instance, the total quotas allotted to all countries (but certain countries of this hemisphere are specifically exempt from limitation) is but 164,667, while 496,106 aliens were lawfully admitted during 1926 under the terms of the act under which the quota is fixed. Of this nearly half a million, however, 88,758 were nonimmigrants (Government officials and suites, temporary visitors, aliens passing through the United States en route to other countries and those admitted to carry on trade under treaties of commerce and navigation); those admitted for permanent residence numbered 304,488. Thus it will be noted that with a total quota of but 164,667, 304,488 were admitted to remain permanently. During the same period 76,932 persons left the United States signifying their intention of making their homes elsewhere. The net increase in our permanent population by immigration, therefore, was 268,351. Immigrants not chargeable to quotas includes, among other classes, 91,019 new immigrants who came to us as natives of Canada, 2,349 from Newfoundland, 43,316 from Mexico, 2,281 from Cuba, and smaller numbers from Haiti, Dominican Republic, Canal Zone, and independent countries of Central and South America. There is no numerical limitation upon immigration from these countries."

Section 3
MARKET QUOTATIONS

Farm Products Dec. 10: Livestock Quotations at Chicago: Top price of hogs at $11.90 and bulk of sales at $11.50 to $11.85.

New York sacked Round Whites at $2.40-$2.85 per 100 pounds in eastern cities; $2.35-$2.40 f.o.b. Rochester. Wisconsin Round Whites $2.10-$2.35 carlot sales in Chicago; $1.90-$2.05 f.o.b. Waupaca. New York and midwestern yellow onions $2-$2.50 sacked per 100 pounds in consuming centers; $1.75-$2.25 f.o.b. New York Danish type cabbage advanced $5-$10 in terminal markets to $30-$40 bulk per ton. F.o.b. sales at Rochester $22-$23 were $3-$4 higher than a week ago. Eastern Stayman apples mostly $2.50 per barrel; Yorks $2.25-$2.75. Michigan and Illinois Jonathans $4-$4.50 in Chicago.

Closing prices on 92 score butter: New York 56¢; Chicago 52½¢; Philadelphia 57¢; Boston 54¢.

Closing prices at Wisconsin primary cheese markets; Twins 23¾¢; Single Daisies 24¾¢; Longhorns 25½¢.

Average price of Middling spot cotton in 10 designated spot markets declined 9 points, closing at 11.42¢ per lb. December future contracts on the New York Cotton Exchange declined 9 points, closing at 12.13¢, and on the New Orleans Cotton Exchange they declined 7 points, closing at 11.33¢.

Grain prices quoted: No.1 dark northern-Minneapolis $1.41-$1.45. No.2 red winter-Chicago $1.39; St. Louis $1.39. No.2 hard winter-Chicago $1.41. No.2 yellow corn-Chicago 77¢. No.3 yellow corn-Chicago 76¢; St.Louis 77¢; Minneapolis 77¢. No.3 white oats-Chicago 45¢; St.Louis 47¢; Minneapolis 44¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	Dec. 10,	Dec. 9,	Dec.10, 1925
20 Industrials	159.61	158.94	153.71
20 R.R. stocks	119.91	118.81	108.80

(Wall St. Jour., Dec. 11.)

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Vol. XXIII, No. 62 Section 1 December 13, 1926

FARM RELIEF LEGISLATION

The Associated Press to-day reports: "Farm relief seems destined for another airing in Congress this winter and, in the opinion of agricultural leaders, the storm is due to break shortly after the Christmas recess. A beginning has been made, but the main attack is expected after Senate and House committees begin hearings on a revised McNary-Haugen bill which Senator McNary will introduce in a few days, with a colleague, as yet unnamed, probably introducing a companion bill in the House. In the interim the farm relief question has become the outstanding undercover topic at the Capitol. While other major legislation has shaped itself into fairly definite form, the agricultural problem remains a controversial issue, with the leaders aiming to work out a proposal which would draw support from all camps. Republicans from the Middle West make no secret of the fact that they need support from southern Democrats, inasmuch as they regard most of the eastern legislators as much opposed to relief measures as they were in the last Congress...."

R.V.Oulahan says in The New York Times to-day: "Efforts to enact advanced farm aid legislation may be abandoned by its friends for the current Congressional session. The question is under consideration by the farm bloc, with a strong tendency on the part of its House adherents to drop the subject for the balance of the present Congress.....Although Congress has been in session only one week, the proposal to postpone farm relief until the next Congress has gained headway....."

TAX REVISION BANNED

The press of December 12 reports that by a unanimous vote Republican members of the ways and means committee voted December 11 against acceptance of the administration's tax proposal and rejected the Democratic plan for a permanent tax reduction of $335,000,000.

VROOMAN ON FARM LOAN SYSTEM

The Associated Press to-day reports: "Further 'domination of the Federal farm loan system by the Treasury Department' can not be tolerated by farmers, Carl S. Vrooman, president of the National Association of Federal Farm Loan Borrowers, said in a statement yesterday. 'The Federal farm loan act, which, in my opinion, was the greatest piece of constructive legislation ever passed by Congress in the interest of the farmer,' he said, 'has been badly distorted from its original intent and purpose. The entire rural credit system is being attacked from within and without. The plans of Secretary Mellon and his assistants to discard the farm loan board and make the system a mere bureau of the Treasury would still further depart from the intent of the act.'"

HAUGEN BILL INDORSED BY FARM LABOR UNION

A Dallas, Tex., dispatch to the press of December 12 states that the Farm Labor Union of America in national convention at Dallas December 11 indorsed the revised Haugen farm relief bill to be introduced in Congress.

Section 2

"Agricultural Politics" An editorial in Wallaces' Farmer for December 10 says: "Several weeks ago we criticized the tendency of our agricultural colleges to look on farm management and agricultural economics as the same thing. We pointed out as clearly as we could that the agricultural colleges teach their students to look on farming as an individual problem and that they do not consider in any effective way the social aspects of the agricultural situation. Several professors have written us. One of the best of these letters is from G.F.Warren, who is looked on by many as the founder of farm management as it is now taught in our agricultural colleges. Warren was raised in Nebraska and has a thoroughly western point of view, although he has taught for years in the agricultural college at Ithaca, N.Y. Warren objects to using the term, 'agricultural economics,' to cover the things which we have in mind. He says: 'The problems which you describe are problems of government. The Germans would call it "agricultural politics." We have no good name for it.' He then goes on to say that they are starting work along this line at Ithaca. This is splendid and so far as we know it will be the first course of the kind in the United States. Why not have courses in agricultural politics or, 'agricultural statesmanship,' at our different agricultural colleges? Our farm organizations should take the very greatest interest in seeing that courses of this sort are started and that they are taught by the right men in the right way. Agricultural statesmanship properly taught in agricultural colleges can easily add a hundred years to the life of the United States."

Canada's Agricultural Council An editorial in The Grain Growers' Guide (Winnipeg) for December 1 says:"...We make bold to say that there are very few farmers indeed in these provinces that have any adequate idea of the great service rendered to agriculture in the past by the Council of Agriculture, or of the possibilities of service in the future that it holds. A few of its achievements might be mentioned. It organized the monster delegation that went to Ottawa early in December, 1910, which, with temperate language, but convincing force, urged upon the Government of the day the pressing need of tariff reductions and broader markets in the interest of agriculture. It is not too much to say that this had an important effect in bringing about the reciprocity arrangement with the United States a few months later, which afterwards, unfortunately, was rejected by the Canadian people in the general election in the autumn of 1911, a rejection which has cost the farmers of Canada dearly. Early in 1917 the council successfully opposed a proposal of the Government to fix, under its war powers, the price of wheat for that year at $1.30 per bushel, basis One Northern grade, Fort William, when Government authority was not then being exercised to fix prices on anything else. The price actually realized under the Board of Grain Supervisors, appointed in the summer of that year, was $2.21, basis One Northern, Fort William. It has kept up a steady agitation on the matter of mortgage loans to farmers, and the long-term loan legislation now on the statute books of the prairie provinces, which, with whatever defects it may have, has nevertheless been of much value, is in large measure the result of its influence upon public opinion...."

International Livestock Exposition

An editorial in The Wisconsin Agriculturist for December 4 says: "The International Livestock Exposition has again brought to our minds the fact that the most advanced civilized nations are those that consume the largest amount of meat per capita. With that thought in mind we pause a moment considering how long we may be classed among the leaders with our ranges fast being converted into hillside farms. From whence must our meats come? In raising that question in our minds, the International does not leave us in wonderment but proceeds with the answer. Of the 11,000 head of meat animals assembled, the great majority have come from small hillside farms scattered throughout the land. They are the living examples of the stockman's art. They are examples of the skill of man in developing beings to suit the changing times. No longer do we find the 'longhorn,' or the ox. In their places have come the baby beeves with their quick 'turnover,' and a carcass that fits the demands of the present day housewife for steaks and roasts. The doubting would be convinced should they see the International, for in it they would find the guide boards down the road of agricultural progress. Some one wisely said, 'As the agriculture of a nation progresses, so will its people.' The International each year depicts the progress of the world's leading agricultural nation."

Investments

An editorial in The Wall Street Journal for December 10 says: "In the first eleven months of 1926 bonds, notes and shares offered in this country by domestic and foreign corporations exceeded $5,300,000,000, practically $600,000,000 greater than in the same period of 1925, which was the record heretofore. These are enormous figures even in a country with a flair for the stupendous. Not all of the proceeds from sale of these securities was 'new money'; part of the financing was for refunding of outstanding issues bearing higher rates of interest. But to sell more than $5,000,000,000 of securities in eleven months, 70 per cent of which was in interest-bearing securities, is strikingly indicative of the spread of the investing habit in the United States; it is an average of more than $431,000,000 a month...."

Lubin and International Institute

An editorial in Wallaces' Farmer for December 10 says: "Every time we hear of the activities of the International Institute of Agriculture at Rome, we wonder if David Lubin's dream of what the international ought to be will ever come true. Lubin wanted an international made up of representatives of the farmers of each country. He got instead a federation of the different national agricultural departments. The institute has done good work in the gathering of statistics from all countries; but it has entirely failed in the larger purposes that Lubin hoped for. He wanted the farmers of the world, not Government representatives, to get together to consult on their mutual problems. Under his plan, probably the Grange, the Farmers' Union, the Farm Bureau, would be sending representatives from the United States to Rome to meet with the representatives of the farm organizations of other countries. Instead of this, some one named by Secretary Jardine now goes to the Institute to meet with men appointed by similar Cabinet officers in other countries. There is a good deal of difference. Lubin was years ahead of his time and years ahead of ours. We have only come in the last few years to accept his belief that the tariff system ought to be modified to give protection to those crops of which a surplus is sold abroad. We have not yet caught his vision of a union of the farmers of the world."

Section 3

Department of Agriculture

1 The press of December 11 reports: "Application has been made to the House committee on agriculture for a hearing Monday or Tuesday of next week on the bills introduced by Representatives Jones and Black, of Texas, to limit to four the number of reports on the cotton crop annually to be issued by the Crop Reporting Board of the Department of Agriculture. Apparently there is a marked division of sentiment among the southern men as to the desirability of curtailing the activities of the department in the matter of pronouncements as to the probable yield of cotton each year. In place of nine reports on cotton production, the Jones bill would require reports on the first day of September, October, November and December, of the probable number of bales that will be ginned. These announcements would be made simultaneously with the ginning reports from the Bureau of the Census. Mr. Jones is a member of the House committee on agriculture. The bill presented by his colleague from Texas makes the same provision. The Jones bill also would direct the department to issue before July 10, of each year, a statement showing the summary by States of the number of acres in cultivation as of July 1, to be followed by statements in September and December, giving the estimate of acreage abandonment since July 1. Weekly statements would be issued by the department during the growing season showing the progress of the crop and the factors affecting its development and other statements would give the grades and qualities of cotton in warehouses and under production."

2 In a long editorial on the work of the Crop Reporting Board, The Journal of Commerce for December 11 says: "A Government report of 18,600,000 bales as the production of cotton for 1926, although fully expected for some time past, is so startling in its nature as to be worthy of designation as a milestone in the history of our cotton crop. Nothing of the kind had been forecast early in the season, and if the possibility of such crop had been mentioned a year or two ago, it would have been treated as quite out of the question both by Government and other authorities. Even as recently as two months ago the notion of such a crop was scouted by a good many 'forecasters.' Just why was the Government's statistical service on cotton ever inaugurated? According to the repeated statements of the Department of Agriculture, its purpose was to keep the farmer advised of the real facts about current acreage and production in order that he might regulate his output accordingly. If that was the object of the reports, it certainly has not been accomplished, for there has been no control whatever over acreage and the reports of the Government have done nothing to discourage overproduction, or for that matter to encourage production in years when the acreage had been unduly restricted. As the present enormous crop shows, the Government's efforts have had no effect whatever in determining the actual production of cotton. Indeed, there is no reason why they should. On the other hand, the Department of Agriculture's work has exerted no stabilizing influence upon the price of cotton....."

3 An editorial in The Northwestern Miller for December 8 says: "A recent study of food consumption and costs of farm families by the Bureau of Home Economics, United States Department of Agriculture, gives interesting figures, particularly on the amount and cost of flour consumed as related to other food products. Only four States,

Ohio, Kentucky, Missouri and Kansas, are covered in the study, but these are regarded as typically Middle Western farm States, with Missouri and Kentucky representing the border between North and South, so that the data are accepted as typical of conditions in other agricultural sections....The particular value in the study lies in its exposition of the high standard of living of United States farm population, with a cost of about $750 per year for an average family, much the greater part of it spent for what may be described as luxury foods. They are not, of course, luxuries, as measured by American standards, habits and appetite...."

Section 4

MARKET QUOTATIONS

Farm Products For the week ended December 11: Top price of hogs at Chicago to-day is $11.85; about 10¢ lower than yesterday and bulk of sales at $11.50 to $11.80 are steady to 10¢ lower. Compared with a week ago the better grades of beef steers, heifers and cows are higher with the lower classes steady to lower. Vealers are steady as are heavy calves and stocker and feeder steers. Fat lambs are mostly 25 to 50¢ lower, feeding lambs and yearlings also sharing in the decline. Fat ewes are about steady with last Saturday's prices.

Potato prices slightly lower. Maine sacked Green Mountains $2.65 to $3.10 per 100 pounds in eastern cities; bulk stock $2.15 to $2.20 f.o.b. Presque Isle. Wisconsin sacked Round Whites $2.10 to $2.25 carlot sales in Chicago; $1.90 f.o.b. Waupaca. New Jersey yellow sweet potatoes declined 25¢ in New York to $1 to $1.50 per bushel hamper. New Jersey yellow sweet potatoes declined 25¢ in New York to $1 to $1.50 per bushel hamper. New York Danish type cabbage $2 to $10 higher at $30 to $38 bulk per ton in consuming centers and $22 to $23 f.o.b. New York and Michigan Baldwins $3.25 to $3.50 per barrel in Chicago.

Butter markets were firm during the week. Light supplies particularly of finer grades an outstanding feature. Demand fairly active despite further price advances. Production irregular but on the increase. Closing prices on 92 score: New York 56¢; Chicago 52 1/2¢; Philadelphia 57¢; Boston 54¢.

Average price of Middling spot cotton in 10 designated markets declined 1 point during the week, closing at 11.49¢ per lb. December future contracts on the New York Cotton Exchange advanced 8 points, closing at 12.17¢ ~~and on the New Orleans Cotton Exchange they advanced 8 points, closing at 12.17¢~~ and on the New Orleans Cotton Exchange they advanced 7 points, closing at 11.91¢.

Hay markets irregular although demand active and receipts moderate. Timothy and prairie higher. Alfalfa draggy. No.1 timothy-New York $26; Cincinnati $20; Chicago $23; St.Louis $24. No.1 alfalfa Kansas City $20; Omaha $18. No.1 prairie-Kansas City $16; Omaha $17; Chicago $20; St.Louis $19; Minneapolis $20.

Feed - Market steady to higher with wheat feed prices advancing. Demand for feeds generally active. Winter feeding general over wide area. Cottonseed meal irregular. Gluten feed offerings becoming smaller but quotations unchanged. Linseed meal barely steady with eastern markets firmer than central western points. (Prepared by Bu. of Agr. Econ.)

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Vol. XXIII, No. 63 Section 1 December 14, 1926.

THE AGRICULTURAL BILL The press to-day states that the agricultural appropriation bill was reported in the House yesterday, carrying a total of $128,362,385. The Associated Press reports on the bill as follows: "Creation of two substitute bureaus to separate research and regulatory activities of the chemistry and soil divisions of the Department of Agriculture was provided for in the department's appropriation bill, carrying $128,362,000 reported yesterday by the House. Of the total amount appropriated, nearly $80,000,000 was for maintenance of Federal aid highway systems and many millions more were allowed for continuing the war against insect pests. The total was $77,812 above current funds but $4,774,000 below budget estimates. Secretary Jardine appeared before the House appropriations committee which drafted the bill and recommended consolidation of the Bureaus of Chemistry and Soils into the Bureau of Chemistry and Soils. He said that to the new bureau would be transferred all the research activities of the two units, while a Food, Drug and Insecticide Bureau would be created to conduct the regulatory or police work. Appropriations for the two new bureaus totaled only $20,000 more than for the original divisions. The increase will be used in investigating plant-dust explosions and farm fires, which last year cost 3,500 lives and $150,000,000 in property, and in enforcement of the Naval Stores Act.

"Material increases over current funds provided $480,000 more for additional endowment for agricultural experiment stations, making the total $1,920,000; $1,200,000 for eradication of tuberculosis, total $4,878,000; $103,000 for blister rust control, total $471,500; $200,000 for eradication of European corn-borer, total $685,100, and $180,000 for Japanese beetle control, total $463,000. The bill authorizes the Bureau of Animal Industry to pay for condemned paratubercular cattle. The committee said it was necessary to destroy immediately cattle found suffering from the disease, which stimulates intestinal tuberculosis. The Weather Bureau's part in supplying information to commercial aviation caused a $38,600 increase in its appropriation of $235,500 for investigation of atmospheric phenomena. To continue the department's contracts with farmers' cooperatives the bill provided $1,424,000 for farmers' cooperative demonstrations, $1,300,000 for cooperative agricultural extension work and $220,440 for the cooperative marketing information service of the Bureau of Agricultural Economics."

COTTON DATA ASKED Senator Mayfield of Texas introduced a bill yesterday authorizing the Department of Agriculture to collect and publish statistics of grade and staple length of cotton produced, according to the press to-day.

EGYPTIAN COTTON A Cairo dispatch to the press to-day reports that the final cotton crop estimate declares that since the publication of the second estimate in October climatic conditions have been favorable to ripening and opening of late bolls, thus producing and indreasing the yield.

Section 2

Agricultural Taxes

In an editorial review of Secretary Jardine's Annual Report, The Wall Street Journal for December 13 says: "Agriculture bears an undue proportion of the tax burden, but reduction of the Federal expenditures will give it but little direct relief. The general property tax, as applied in most States, is the cause of the undue burden. These are two of the important points made by Secretary Jardine in his annual report. His facts account in part for the agricultural unrest and invite study of methods for improvement. Mr. Jardine points to the fact that in 1922 the taxes collected by the States and minor civil divisions amounted to $4,250,000,000. Of this, 80 per cent was distributed to the counties, townships, school districts and other divisions. This shows the enormous amount of money that is taken from all the people for local uses alone. There is no estimate by the Secretary of the part of this which is paid by agriculture, but from other official reports an idea can be obtained of what this local taxation takes out of agriculture. In 1914 these taxes could be met by about two-fifths of the wheat crop; in 1922 taxes would swallow the entire wheat crop. In 1920 property taxes and interest charges together took two-thirds of the wheat and cotton crops combined. In 1921 taxes and interest took all the value of the wheat and cotton and yet there was a deficit of one-sixth the total. In 1922 taxes and interest equaled the total value of the cotton plus two-thirds the wheat crop. If paid in other products all the wheat, oats, tobacco and one-half the potatoes would be necessary. If farmers borrow money they must pay the interest; if costs of Government mount sky-high they must be paid. If State or municipal governments are extravagant in expenditures and if improved roads and expensive schools are demanded they must be paid for. The case is no different from an individual incurring debts. He has the right to make them if he chooses, but payday will come and he must meet it. In voting improvements or incurring expenses people never seem to realize that any State or municipality has nothing except what it takes from the taxpayers. When these costs of State and local government are to be met the farmers are at a disadvantage. Their property is in a form more easily reached by the taxing authorities than any others. A valuation is placed on the farm and the farmer pays the assessed rate. But if all his property is assessed while that in other groups is not, he is paying an undue proportion. Then, too, under this system the farmer pays the levy made on the assessed value of his farm without regard to what he gets from it. The farm is his source of income, but whether the income be much or little he must pay the tax levied on the assessed valuation. There have been seasons when corn in the Middle West and cotton in the South have not paid cost of production. Yet the tax collectors came around for the taxes levied on the assumed valuation of the land. Manifestly this is unjust and a more equitable system of taxation is required."

Civil Service Employees

There was a reduction of 4,013 in the number of persons employed in the Government's civil service last year, leaving 560,705 in the service on the lists, the Civil Service Commission said December 12 in its annual report. The number of women was 79,758, a reduction of 2,432, but, while their total decreased, women were found in increasing numbers in administrative and other responsible positions.

Cotton Abandonment — The New York Times of December 12 says: "All indications point to abandonment of grown cotton in the fields on a record scale this year, according to opinion expressed in well-informed trading circles last week. While the actual extent of this abandonment can not be estimated exactly, it was predicted by competent observers that next year would see a repetition of scenes noted in the spring of 1915, when southern farmers in some cases plowed for the next crop through fields white with cotton grown the preceding year. Traders, asked to estimate the probable amount of cotton that will be abandoned in the fields this year, pointed out that there is no way of making such an estimate with accuracy....."

Cotton Exports — A New Orleans dispatch to the press of December 13 says: "Exports continued to run ahead of last season during the past week as they have now for many weeks and the excess in the amount shipped to foreign countries over last year is now 561,886 bales. It seems reasonably certain that this excess over last year will continue to grow as port stocks are close to 3,000,000 bales or nearly 700,000 bales in excess of last year at this time. While without doubt some of the stock at the ports is being held in storage there until prices improve the great bulk of it will eventually be exported. While it is claimed that good progress is being made in securing pledges to curtail acreage next season that phase of the situation is attracting but a moderate degree of attention in market circles so far."

Farm Relief Views — In an editorial on the views expressed at the meeting of the American Editors' Association, held at Chicago during the livestock exposition, The Nebraska Farmer for December 11 says:"....Mr. Lowden firmly believes that cooperative organizations, no matter how well organized they may be, can not solve the marketing question when the non-member profits in price to the same extent as the member and without any cost to himself. Therefore, he says it is proper that the cost of any action which is of benefit to all of the growers of one commodity should be prorated among all the growers in the form of an equalization fee or tax or whatever it may be called. In Mr. Lowden's opinion farm boards such as he advocates can function best in dealing with price and crop surpluses after the crop is grown and not before, while Mr. Meredith favors dealing with the price proposition before the crop is grown. In other words, Mr. Meredith believes in guaranteeing to farmers a minimum price at the beginning of the crop season, taking into consideration every factor entering into demand and production of the particular crop and permitting the grower to determine in advance whether he can afford to grow the crop. Should it develop that the price determined is not high enough it will be readjusted the next year while if favorable weather conditions or increased acreage result in an excess production, the guaranteed price would be lowered the next year. It is assumed that the Government would furnish the machinery under Mr. Meredith's plan to maintain the price agreed upon. Doctor Hibbard discussed before the Editors' Association the influence of the tariff on agriculture, and stated at the outset that the influence of the tariff tax can not be determined definitely because of its ramifications. Moreover he doesn't think that any radical change will be made in the tariff soon. In his opinion farmers are paying more than their share of the tariff bill, but he thought there

might be merit in the argument that the market for farm products is increased because of tariff benefits to industry. However, Doctor Hibbard said that when one group has an advantage it must be at the expense of another group, 99 times out of 100...."

Surplus and Farm Aid

The Washington Post for December 13 contains an editorial entitled "Where Will the Surplus Go?" This says in part:"....The problem of farm relief suggests itself as possibly the undisclosed factor of what is at present a mysterious situation. No other project is of such magnitude as to be capable of absorbing the surplus. It has been supposed that the Republican leaders in Congress were opposed to farm relief legislation on a scale calling for an appropriation big enough to wipe out the Treasury surplus. Doubtless those leaders are still opposed to the McNary-Haugen plan; but if a modified plan should be developed, providing for a businesslike method of Government aid to farming, with eventual reimbursement to the Treasury, Republicans from many States would be compelled to vote for the plan, and those from other States would find it politically wise to do so. The farm relief proposal elaborated at the St.Louis and Chicago conferences was not ready when Congress convened, but it is about to be presented. Some of the most far-sighted Republicans in Congress, who opposed the McNary-Haugen bill, have been expecting to be confronted with a farm relief plan which could not be turned down by the Republican party without disastrous consequences. The Westerners now announce that they have evolved such a plan. It will be subjected to the test of practicability....The amount of money involved in farm relief legislation is not the crux of the problem. No money whatever can be obtained from Congress if the proposal is economically unsound, but a sound and practicable measure would be enacted, even if it provided for an appropriation of hundreds of millions of dollars...."

Section 3

Department of Agriculture

An editorial in The New York Times to-day says: "Uncle Sam has long been interested in the food eaten by the millions of his nephews and nieces. Until recently, however, they have treated him with polite inattention. The excellent 'literature' on every subject of interest to farmers and housekeepers which has poured out of the office of the Secretary of Agriculture long worked but slowly on the minds of its recipients. To-day the work of the farm and home bureaus is making great headway, and throughout the country more attention is being paid to food, cooking and home economics. In the annual report of the Bureau of Home Economics and of the Extension Service is the story of laboratory experiments and scientific investigations, with actual demonstrations of methods of preparing food....The research students have gone even further, and after establishing the fact that about 70 per cent of the working hours of the farm woman is spent in the kitchen, have held contests in twenty-one States to obtain ideas for improved arrangements of the farm kitchen. As this sort of experimentation is coordinated with the work done by other organizations interested in farm welfare, there is certain to result a marked improvement of farm living conditions. Perhaps the most encouraging aspect of all this work has been the spirit in which it is received by farmers. They were long distrustful of modern devices for saving labor and were slow to believe that scientific farming was worth while. ....But now they realize that what the Government farm agents have to

teach is of actual value. They are beginning to understand that in place of the old attitude of isolation and individual independence is growing up a spirit of cooperation. Their interest is shifting from mere production to marketing. This means a readier adoption of devices to increase output and returns and to enable farmers to live in greater comfort."

Section 4
MARKET QUOTATIONS

Farm Products

Dec. 13: Idaho potatoes firm; other stock declined 5¢ to 15¢. New York sacked Round Whites $2.50 to $2.65 per 100 pounds in a few eastern markets; $2.35 f.o.b. Rochester. New York Danish type cabbage sold around $2 to $8 higher than a week ago, but showed a slightly downward tendency in the city markets; closing sales ranged $25 to $38 bulk per ton to jobbers and $22 f.o.b. Western New York. Onions 10¢ to 25¢ higher. New York and midwestern yellow varieties brought $2 to $2.65 sacked per 100 pounds in consuming centers; $1.85 to $2.25 f.o.b. New York Baldwin apples $2.75 to $3 per barrel in New York City and $2.75 f.o.b. Rochester.

Chicago hog prices closed at $11.60 for the top, bulk of sales $11.25 to $11.55. Better grades of beef steers are higher with lower grades selling lower. Vealers lost 50 to 75¢ while heavy calves and stocker and feeder steers remained steady at last Monday's prices. Fat lambs are 35 to 40¢ lower, fat ewes, and yearling wethers 25¢ lower but feeding lambs are steady to 25¢ higher for the week.

Closing prices on 92 score butter: New York 56¢;Chicago 53¢; Philadelphia 57¢; Boston 54¢.

Average price of Middling spot cotton in 10 designated markets advanced 9 points, closing at 11.58¢ per lb. December future contracts on the New York Cotton Exchange advanced 13 points, closing at 12.30¢, and on the New Orleans Cotton Exchange they advanced 12 points, closing at 12.03¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	Dec. 13,	Dec. 11,	Dec. 12, 1925
20 Industrials	160.01	159.89	154.65
20 R.R. stocks	119.60	119.76	109.68

(Wall St. Jour., Dec. 14)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 64 Section 1 December 15, 1926.

NEW FARM BILLS INTRODUCED The press to-day reports: "Senator McNary of Oregon, co-author of the McNary-Haugen farm relief measure, introduced in the Senate yesterday a modified bill on the subject which retains, however, some of the striking provisions of the McNary-Haugen plan, including the equalization fee system which aroused such opposition on the part of the Coolidge administration. Coincident with Senator McNary's action it became known that friends of the administration were engaged in studying the farm problem with a view to offering another farm aid proposal, which, while it would not contain the unacceptable price fixing and equalization fee features of the original McNary-Haugen scheme, would make concessions that might bring to its support Senators and Representatives willing to accept a measure that strikes a balance between the McNary-Haugen bill and conservative plans of agricultural relief. While no authoritative information has been furnished as to the details of the administration plan it is said to provide for the erection of Government warehouses on the Mississippi, Ohio and Missouri Rivers for the storage of farm commodities but without committing the Government to administering their sale or withholding them for the purpose of fixing prices on them...."

The press also reports that a companion bill to the farm relief measure introduced by Senator McNary was turned over yesterday to Representative Purnell of Indiana and Representative Fulmer of South Carolina, with a request from Senate farm leaders that they introduce it jointly, thus indicating support from the three great farming regions--Far West, Middle West and South. Both Purnell and Fulmer are members of the House agriculture committee.

THE COTTON REPORTS The press to-day states that southern Representatives in Congress before the House agricultural committee yesterday began a campaign to change the system of Federal cotton reports.

FERTILIZER CODE DESIRED The Baltimore Sun to-day says: "Faced with further losses because of economic demoralization within the industry, fertilizer manufacturers in Baltimore, the center of the industry in this country, propose to cooperate with the Federal Government in formulating a legal code of practices which also will stabilize the business and promote the interests of manufacturers as well as consumers. Officials of companies at Baltimore made this statement yesterday in commenting on their agreement not to contest charges by the Government that the industry has violated the anti-trust laws in arriving at an agreement on certain trade practices...."

INDIA BUYS COTTON The New York Times to-day says: "For the first time in years American cotton is competing in India with cotton grown in that country. Engagement of space in freight steamships for several thousand bales for export was announced yesterday. The low price of American cotton resulting from the record crop here explains the movement....Exports of cotton to India this year have been so large as to warrant separate designation in export records. Shipments to Bombay this year have totaled 40,000 bales."

Section 2

Cotton Control An editorial in Farm and Ranch for December 11 says: "While Farm and Ranch continues to maintain that any effort to control the acreage of cotton or of any other crop by law would be against public policy and a long step towards enslaving the farmers of this country, we are aware that many farmers believe that it is the only way that acreage reduction can be accomplished. Farm and Ranch is receiving many letters advocating acreage-reduction laws--more letters than we can publish within a reasonable time, and for that reason we take space to state that the main arguments used are as follows: 'Farmers will not reduce voluntarily.' 'Farmers have no confidence in each other and will increase acreage if they think others are going to reduce.' 'Owners who farm would reduce, but have no protection against the big cotton grower who lives in town and the landlords who force their tenants to grow all cotton.' These arguments, except the last one, are a libel on farmers and a reflection upon their intelligence. If farmers who have control of their own acreage fail to reduce acreage sufficiently to permit a balanced farm program unless required to do so by law, then indeed do they need a guardian and should have one appointed by the court in the regular prescribed manner. If a farmer who advocates reduction by word of mouth and in letters to the press, plants more cotton in the belief that others are taking his advice to reduce, he is dishonest and a traitor, and undeserving of the confidence and friendship of his neighbors. The absentee landlords' influence on the cotton acreage is a horse of another color. Tenants who know good farming, many of them, have no opportunity to put their knowledge into practice. That class of tenants who wander from farm to farm with but little equipment can not be depended upon to do anything but grow cotton, nor do they want to. Already 60 per cent of the farms in Texas are occupied by tenants and owned by men who live in town. The same ratio is maintained throughout the cotton-growing States and is increasing. Therefore the problem of acreage reduction is becoming more difficult of solution. Thus far no one has suggested a way out except through the passage of a law, but this would prove unsatisfactory and worse than useless...."

Cotton for Spinning Mills Takings of cotton by spinning mills this season to date stand at 6,766,000 bales, as against 6,561,000 bales last season, it was reported December 13 from New Orleans. This year there have been decreased takings by New England and Canadian mills. Southern mills, which have increased their takings, are estimated to have an advantage of about 5 cents a pound over northern mills in the manufacture of cotton textiles. (Press, Dec. 14.)

Cotton Price An editorial in The Wall Street Journal for December 14 says: "An opening gun has been fired in the battle to put the price of cotton above 20 cents. Representative Lankford, of Georgia, has introduced a bill for that purpose. It contemplates a Government-controlled corporation, with $500,000,000 capital, which is to purchase future crops on the basis of 22 cents a pound, good middling. It is supposed to resell this cotton at two cents a pound above the purchase price, with all costs and expenses, including storage and interest. While this sounds popular, it is dangerous to the cotton producer and contains at least two vital defects: It fails to take into consideration the welfare of the spinner. It would stimulate the production of other cotton in other countries. No program for improvement of the

condition of the cotton farmer can ever succeed unless the welfare of the spinner is considered at the same time. The farmer raises cotton for the one purpose of selling it. His customer is the spinner, who in turn depends upon the consuming public to buy his goods. Force the price of cotton to a point where the consuming public will refuse to purchase goods, and the spinner, the farmer's market, is at once tied hand and foot. Cripple him, and he can not buy the raw cotton from the producer. The second defect is fatal. While we have a monopoly in the production of cotton, it is not absolute. We enjoy a monopoly only while we produce the necessary grade cheaper than others can. It is axiomatic that putting the price of any monopoly above its real worth will always call competitors into the production field. That is true in the production of cotton, even if we do not yet realize it. Foreign consumers take over 60 per cent of the cotton produced in this country. Raise the price on them, and they will turn to other growths of cotton. The Institute of Agriculture at Rome shows that cotton can be produced in other countries equal to the American upland. The chief drawbacks at present are transportation and labor. It says that 'shilling' cotton (24 cents) at Liverpool will greatly encourage the growth of cotton in other countries, as at that price the handicaps can be overcome. On the other hand, it says 'seven penny' cotton (14 cents) in Liverpool discourages such foreign growth. There is the situation in a nutshell. Create a pool to put the price of cotton above 20 cents a pound, and we shall not only discourage our domestic consumers, but drive our foreign customers into the production of cotton in other countries."

Cotton to Russia

An Associated Press dispatch from New York December 14 says: "The All-Russian Textile Syndicate, of New York, completed its third year of operations in America December 13 and announced that its purchases of American cotton, machinery and dyestuffs within that period totaled about $130,500,000, all but $300,000 of this sum having been paid for cotton. This syndicate acts for the All-Union Textile Syndicate, of Moscow, which controls 98 per cent of the Russian textile output of the Soviet Union. "

Fertilizer Firms Fined

An Associated Press dispatch from Baltimore December 14 reports: "Fines ranging from $1,500 to $3,500, according to the financial ability of the companies involved, were imposed by Judge Morris A. Soper in United States district court December 13 upon 36 fertilizer concerns accused of antitrust law violations. The companies, named in a bill of information filed by the Government last Friday, entered pleas of nolo contendre, which in effect threw them on the mercy of the court, but did not involve admission of guilt. They remain at liberty to contest any similar charges preferred in the future. The Government charged the defendant companies with having entered into agreement tending to eliminate free competition, including 'port basing,' with arbitrary addition to market prices of freight rates from certain base ports rather than from the actual shipping point. 'The Government does not charge,' said Judge Soper, in handing down his opinion, 'that prices thus established were excessive, nor has it any proof to that effect,' On the other hand there was, he said, 'at least the possibility is inherent in the situation that unjust exactions might have followed had not the Government intervened.'...."

Muscle Shoals Legislation

The press of December 14 reports that the Muscle Shoals fight opened in the Senate December 13 with Senator Deneen, chairman of the special Muscle Shoals joint Congressional committee, arguing for passage of the bill authorizing a fifty-year lease of the property to the Alabama Power Company and affiliated southern power companies. Chairman McNary of the Senate agriculture committee served notice that he would move to recommit the whole subject back to his committee.

An editorial in The Baltimore Sun for December 14 says: "If Congress is not prepared by this time to make up its mind on what to do with Muscle Shoals, it will give a discreditable demonstration of impotence and of trifling with a big enterprise. It has debated endlessly the question whether to lease, sell or turn the plant over to Government operation, and it has voted to lease. It appointed a commission composed of three members of the House and three of the Senate to negotiate a bargain for it under conditions which sought to assure production of nitrates, commercial fertilizer and distribution of surplus power for industry. The commission has voted by a majority of four to two to accept the offer of a number of associated power companies, and that proposal must now be acted upon by the House and Senate. There is nothing new to be said about Muscle Shoals....If there be disagreement as to whether the farmer is going to get cheaper fertilizer, there is not the slightest likelihood that anything more to be said will settle divergent views. The danger is that advocates of Government operation will now seek to block action at the short session of Congress. The bid must be approved by House and Senate and there will be opportunity to reopen the whole question....."

Section 3

Department of Agriculture

1 An editorial in Farm and Ranch for December 11 says: "Farmers and others who have been unstinted in the condemnation of the Government crop reports have their attention respectfully called to the fact that some of the recent sharp declines are credited to private reports. At least it can be said that the Government report is unbiased while every private report is likely to be more or less influenced by the desires of those putting them out. Private reports are now held in check more or less by the knowledge that the Government report will be used in comparison. Cut out the Government report and speculators with less opportunity to get at the facts would flood the country with unofficial and unreliable information. While Farm and Ranch has always been of the opinion that the Government makes too many estimates purely of a speculative nature, yet it maintains that the farmers should be just as much interested in being informed relative to the size of the crop and its condition as speculators...."

2 An editorial in The Progressive Farmer for December 11 says: "Of the many crop reports issued by the United States Department of Agriculture, the one that has created the greatest interest and provoked the most adverse criticism is the cotton report, which has been issued practically without interruption since 1866. This volume of adverse criticism is due in large measure to the fact that cotton is the plaything of a huge number of gamblers who resent any effort on the part of the Government to provide farmers with accurate information regarding their crop. Many others who criticize the cotton reports are honest in their conviction, but lack information as to the real nature of the

cotton reports and just how they should function. It should not be inferred, however, that cotton reports are a paragon of accuracy. They are open to criticism. Sometimes they are inaccurate. But they are the best reports on the crop we have, and if there must be criticism, let it be of a constructive nature, tending to strengthen the reports rather than weaken or absolutely destroy them....At any rate the Government reports are the only reports in which the farmer can put absolute faith. The only interest of the Government statisticians is that their reports shall reflect the truth. This is not always the sole interest of those who publish private reports...."

Section 4
MARKET QUOTATIONS

Farm Products

Dec. 14: Chicago hog prices closed at $11.35 for the top, bulk of sales $11.10 to $11.30. Beef steers choice $10.25 to $13.50; heifers, good and choice $7 to $12.25; cows, good and choice, $5.75 to $7.25; low cutter and cutter $3.75 to $4.50; vealers, medium to choice, $9.50 to $12; heavy calves medium to choice, $6 to $8.50; fat lambs, medium to choice $10.85 to $13.40; yearling wethers, medium to choice $7.75 to $10.25; fat ewes, common to choice $4.25 to $6.75; feeding lambs, medium to choice $11 to $12.75.

New York sacked Round White potatoes closed at $2.65 per 100 pounds in a few eastern cities and at $2.35 f.o.b. Rochester. Maine sacked Green Mountains ranged $2.50 to $3 in eastern markets; bulk stock $2.10 to $2.20 f.o.b. Presque Isle. Eastern York Imperial apples ranged $2 to $2.75 per barrel. New York and middlewestern yellow onions brought $2 to $2.75 sacked per 100 pounds in consuming centers. New York Danish type cabbage mostly around $30 to $35 bulk per ton in distributing centers; $20 to $22 f.o.b. Western New York.

Grain prices quoted December 14: No.1 dark northern Minneapolis $1.40 to $1.44. No.2 red winter St.Louis $1.38. No.2 hard winter Kansas City $1.37. No.2 yellow corn Kansas City 77¢. No.3 yellow corn St.Louis 75¢; Minneapolis 74¢. No.3 white oats St.Louis 49¢; Minneapolis 46¢; Kansas City 47¢.

Average price of Middling spot cotton in 10 designated spot markets advanced 3 points, closing at 11.61¢ per lb. December future contracts on the New York Cotton Exchange advanced 10 points, closing at 12.40¢ and on the New Orleans Cotton Exchange they were up 6 points, closing at 12.09¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Dec. 14,	Dec. 13,	Dec. 14, 1925
	20 Industrials	160.65	160.01	154.70
	20 R.R. stocks	119.76	119.60	110.61

(Wall St. Jour., Dec. 15.)

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DAILY DIGEST

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Vol. XXIII, No. 65 Section 1 December 16, 1926.

FARM RELIEF LEGISLATION

The press to-day reports: "Farm relief swung into full stride in Congress yesterday, making its initial appearance this session on the House floor.....Taking advantage of debate on the agricultural appropriation bill, Representative Dickinson...declared that if relief were not provided as set forth in the new McNary bill, there might follow a division of party lines, with Middle Western Republicans seeking to ease the rural situation by downward revision of the tariff....The McNary bill was assailed yesterday by Senator Harrison, of Mississippi, and Representative Aswell, of Louisiana, Harrison opposing it because he believes it embodies tariff legislation and Aswell standing against the equalization fee provision. The Mississippi Senator introduced a bill of his own providing for loans to farming interests up to $1,200,000,000 through Federal intermediate credit banks...."

Under the terms of a bill introduced by Representative Howard of Nebraska, one-half of the time of the session between now and the holidays would be devoted to consideration of farm relief legislation, according to the press to-day.

AGRICULTURAL CORPORATION PROPOSED

The press to-day states that a bill introduced yesterday by Representative McLaughlin of Michigan proposes the creation of a Federal agricultural corporation with capital stock of $1,000,000,000 to be raised by sales tax on basic agricultural commodities.

SMOOT AND TAXATION

The press to-day says: "The door against immediate tax reduction, already closed by House Republican leaders, was bolted yesterday by Chairman Smoot of the Senate finance committee, as Senate Democrats pounded suddenly for action. The Democrats, led by Senator Harrison of Mississippi, told the Senate a $500,000,000 surplus was in sight for this fiscal year and volunteered not to stand in the way of a Republican bill. Senator Smoot replied that he not only favored application of the surplus to retirement of the public debt, but he doubted the wisdom of the proposal of President Coolidge for a refund on next year's income tax payments. 'It would mean a saving of only 35 cents to the small taxpayer,' he said, 'and would benefit only the large corporations and taxpayers with large incomes.'...."

TOBACCO PROFITS

A Lexington, Ky., dispatch to the press to-day states that the Burley Tobacco Growers' Cooperative Association will make a distribution in January of approximately $6,000,000 on the 1925 crop, it is announced. The distribution will bring the amount paid by the association on the first five crops to more than $150,000,000. More than 112,000 pool members will be affected by the distribution in Ohio, Tennessee, Indiana, Missouri, West Virginia and Kentucky.

Section 2

Cotton Situation

An editorial in The Journal of Commerce for December 13 says: "In most of what is being said at the present time in Washington and elsewhere about the cotton growers of the South there is a notable lack of dispassionate discrimination, and a quality that bespeaks a shortage of real understanding. There is an apparently widespread assumption that poverty and hard times, not to say bankruptcy, stalk or are shortly to stalk throughout the Cotton Belt, from which escape can only be provided by a fatherly attitude on the part of the taxpayers of the land. Several facts in this connection must be borne in mind at all times. One of them is that with but few exceptions all parts of the belt are this year showing a large per acre yield. This normally indicates a substantially reduced cost per bale of production. It is quite possible that we have not yet learned the extent of the output this year. There are some who would not be particularly surprised if we ginned 19,000,000 bales of cotton, this granted fairly favorable weather from this time forward. Such a crop, or whatever the size of the output, is not the result of highly abnormal production in one part or parts of the belt accompanied by low yields elsewhere. On the contrary, production generally is very high this year, even in relation to acreage. Costs of combating weevils were, moreover, relatively light, and fertilizer expense was not more than moderately heavy at the very most. The result is that even in the high cost areas unit outlay this year has not been large...."

Farm Loan Banks

An editorial in The Journal of Commerce for December 15 says; "A newly formed organization calling itself the National Association of Federal Farm Loan Borrowers has placed itself on record with respect to the way that the farm loan system is being operated. Its words are evidently intended as an answer to the recent statements emanating from the Treasury Department in Washington. The association apparently can think of nothing worse than that the Federal Farm Loan Board become a mere appendage to the Treasury Department. It should be 'liberalized' rather than made more conservative....Taken as a whole, the utterances of this new organization illustrate and bring sharply to the attention of the public the thought entertained in all too many quarters concerning the functions of a rural credit system. That is simply that farmers who happen to need, or rather to want, funds should be supplied with such cash as is requested--never mind who furnishes it or whether the borrower can and will repay his loans when due. This much the country owes the producer of its foodstuffs and many of the raw materials out of which the necessities of life are made. It is a dangerous as well as a wholly unsound philosophy, of course, but it has, in one form or degree or another, taken hold of many in this country."

Immigration Legislation

The press of December 15 reports that by a vote of 39 to 37 the Senate adopted a proposal of Senator Wadsworth to permit the entry, regardless of quota restrictions, of wives and children of aliens admitted prior to July 1, 1924, who have applied for naturalization. The proposal was offered as an amendment to a House bill, which would grant entry outside of quota restrictions to American women who lost their citizenship by marriage to aliens. The House bill was passed, 44 to 31, but the House has to consider the Wadsworth amendment.

Iowa Banks Reopen — A Rock Rapids, Iowa, dispatch to the press of December 15 states that six banks in Lyon County, like many others in northwestern Iowa which recently suffered temporary adverse conditions, were able to open when the customers canvassed the county and agreed on cooperative withdrawal of all claims until the institutions can absorb them. This action enables the banks to resume business, with merchants and citizens generally expressing an optimistic view.

New York Farm School — The press of December 13 reports: "New York City boys who have practically appropriated to themselves the expensive agricultural school established in the center of Long Island by the Board of Education primarily for Long Island farmer boys will now have an opportunity for still better agricultural study. They will be able to study farming in direct contact with the soil at the Leake and Watts Farm School at Tivoli, N.Y....The facilities offered include 500 acres of orchards, gardens, pastures and meadows; semi-bungalows, screened, curtained and equipped with bedding, springs and mattresses; central dining hall, a herd of thoroughbred cows, ice and pasteurization plants, poultry plant with 2,000 fowl, 100 sheep, 100 hogs, tractors and other machinery, a school house, library and social room, canning factory and sawmill. Dr. William T.O'Shea, New York City Superintendent of Schools, in telling of the acceptance of the offer, said it had been found that the farm school, established at great expense by the Board of Education on Long Island with the belief that Long Island lads would like to learn farming, had an enrollment with more than 90 per cent of the students from New York City....."

Northwest Trade — Reviewing in its current monthly bulletin the autumn trade developments in the Northwest, the Reserve Bank of Minneapolis states that "in the largest cities and most of the spring wheat belt business was not as active as a year ago. However, there were important sections where business was good. Check payments through banks in the smaller cities in the southern part of the district, where livestock and dairying are the important industries, were larger than a year ago. ....'The movement of livestock to market was larger than last year, except for hogs. Receipts of sheep at South St.Paul were the largest in any month since 1911. The demand for stocker and feeder animals by corn belt livestock growers was very heavy. Five times as many hogs were shipped from South St.Paul to country points in October this year as a year ago, and the outward movement of sheep was nearly three times as large as a year ago...."

Oats Futures Market — The press of December 14 announces that oats futures will be added to the grain pit operations of the New York Produce Exchange about January 1. A committee of the grain trade has recommended the changes in the by-laws necessary to install the new department and the board of managers will this week, it is understood, give formal assent to the amendments.

Schwab on Business Cooperation — The press of December 13 reports that in a statement issued "at the turn of the year," Charles M. Schwab, chairman of the Bethelehem Steel Corporation, December 11 called for the cooperation of heads of industries, bankers, Wall Street men, farmers and ranchers to make possible the continuance of our "astounding" material prosperity

through larger economies, not only in production but in marketing methods as well. "At no time in history have the people of an entire nation enjoyed the prosperity prevalent in the United States to-day," Mr. Schwab says. "At no time have people dreamed of the universal use of luxuries which we accept as our birthright. Our material prosperity is astounding, so remarkable in fact that business men are coming from all parts of the world to study our methods....We still have many problems before us. Our very prosperity makes foreign manufacturers cast envious eyes at our markets....Both in industry and in agriculture there must be cooperation among the factors involved to an extent never before considered necessary or even desirable. Farming must be conceived on a more scientific basis. There must be greater integration of agricultural producing units. We must apply to our fields the methods of large scale production which have been found successful in our factories. Waste in marketing must be minimized on the farm as well as in industry...."

Synthetic Products

J.B. Collins is the author of an extensive article on "Synthetics in Industry" in Commerce Monthly (New York) for December. In his introduction the author says: "....Scarcely an industry exists which is not now affected by or dependent on these compounded products, which are remaking the organization of trade in many lines. 'Synthetic' is here used broadly rather than in its strict scientific connotation. Rayon, the resin compounds, artificial leather, lacquer, celluloid, synthetic fertilizer, are a few of the comparatively recent contributions that science has made to modern industry. Others of outstanding importance are just coming to the stage of commercial utilization--the successful production of motor fuel from coal, for example. Practically no natural product is entirely safe from the possibility of competition from a synthetic rival. Sometimes years of endeavor find no commercial application. Rubber, for example, can now be made in the laboratory but at a cost still too high to compete with the natural product...."

Tobacco and Export Plan

An editorial in Wallaces' Farmer for December 10 says: "The cooperative that tries to carry the surplus for the entire crop seems to get nothing for its pains but a broken back. The Burley Tobacco Growers have been finding this out of late. For the last several years the pool has been holding back the surplus, feeding it on the market gradually, and keeping the price level at a fairly high point. The pool members hawe benefited, of course, but the non-poolers have benefited even more, since they get results and don't have to pay the costs of holding. The pool membera have had to wait sometimes two or three years for the final payments on their tobacco, while the non-poolers got the full price at once and without any deductions for pool expenses. The experience of every cooperative in the handling of surpluses has proved that this is a job, not for a few producers but for all producers. The only way that promises any lasting success and the only way that gives a fair break to the cooperative is the plan advanced by the advocates of the export idea. Let the cooperative handle the surplus for the benefit of the home price, but let the cost of that handling be borne equally by all producers of the crop. This plan now has the support of the cotton growers of the South, the pork producers of the Corn Belt, the wheat producers of the West. If the tobacco producers are wise, they will try to have the program extended to cover their product."

Section 3
MARKET QUOTATIONS

Farm Products Dec. 15: Maine potatoes slightly weaker; other stock nearly steady. New York sacked Round Whites $2.65 to $2.75 per 100 pounds in a few eastern cities; $2.25 to $2.35 f.o.b. Rochester. New York Danish type cabbage $2 to $5 lower in most markets at $28 to $35 bulk per ton, mostly $20 to $22 f.o.b. Rochester. New York and midwestern yellow varieties of onions brought $2 to $2.75 sacked per 100 pounds in consuming centers and around $2 to $2.25 f.o.b. New York Rhode Island apples sold at $3.50 to $4 per barrel in eastern markets.

Chicago hog prices closed at $11.55 for the top, bulk of sales $11.25 to $11.50. Beef steer prices were generally higher, advances being mostly 50¢ to $1. Heifers were steady to 25¢ higher, cows and vealers being steady to 50¢ higher. Heavy calves and stockers and feeders held steady. Fat lambs were steady to 15¢ lower, while yearling wethers declined 50¢ and fat ewes and feeding lambs 25¢.

Grain prices quoted December 15: No.1 dark northern Minneapolis $1.41 to $1.45. No.2 red winter St.Louis $1.38. No.2 hard winter Kansas City $1.38. No.2 yellow corn Kansas City 78¢. No.3 yellow corn St.Louis 75¢; Minneapolis 75¢. No.3 white oats St.Louis 48¢; Minneapolis 46¢; Kansas City 47¢.

Closing prices on 92 score butter: New York 56¢; Chicago 53 1/2¢; Philadelphia 57¢; Boston 55¢.

Average price of Middling spot cotton in 10 designated markets advanced 24 points during the week, closing at 11.84¢ per lb. December future contracts on the New York Cotton Exchange advanced 39 points, closing at 12.64¢ and on the New Orleans Cotton Exchange they advanced 39 points, closing at 12.34¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Dec. 15,	Dec. 14,	Dec. 15, 1925
	20 Industrials	160.63	160.65	154.07
	20 R.R. stocks	120.48	119.76	111.52

(Wall St. Jour., Dec. 16.)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 66 Section 1 December 17, 1926.

VIRGINIA FARMERS INDORSE RELIEF BILL

A Charlottesville, Va., dispatch to the press to-day says: "Members of the Farmers Union, Virginia division, at a session at Charlottesville yesterday, adopted resolutions urging Virginia's members of Congress to give their active support to the McNary-Haugen bill, opposed modifications of laws relating to annexation of territory adjacent to several cities of the State, opposing a daylight savings law unless inaugurated by the Federal Government, and requested Governor Byrd to inquire into the high freight rates prevailing in this section...."

MEREDITH ON COTTON FARMER

The New York Times to-day reports: "Notwithstanding the overproduction of cotton in the South, former Secretary of Agriculture E. T. Meredith, speaking last night at a dinner of the New York Council of the American Association of Advertising Agencies, askad that the city folk shed no tears over the cotton farmers' lot. 'Don't worry about them,' said Mr. Meredith. Mr. Meredith's talk was full of optimism. If the cotton farmers show a shrinkage of $300,000,000 this year, due to the over-supply, they will have $1,200,000,000 left, he said. Furthermore, the loss of $1 to a farmer, Mr. Meredith asserted, means $1 gone, but to the city man it would mean five times as much because of the number of times it would change hands. 'If there is any harm coming to any one because of the shrinkage, it is a slight harm to the farmer but an enormous harm to the city,' Mr. Meredith asserted. The former Secretary of Agriculture assured the advertising men that the farmers' buying power will not be less next year than it has been in recent years. If they want things, they will buy them, whether they are new cars, superheterodyne receivers, phonographs or a new set of furniture, he said....."

"Dr. Tait Butler, member of the commission selected to study the cotton situation, said that the southern farmer had more money to spend now than at any time since 1919. He asserted that the total crop value in the South will be between $150,000,000 and $175,000,000 greater this year than last, despite the $300,000,000 slump in cotton."

POTASH LAND WITHDRAWN

The press to-day reports: "Probability that valuable deposits of potash would be found induced the Government to withdraw 278,000 acres of public land in New Mexico during the last month. The monthly report of the conservation branch of the Geological Survey said withdrawal was temporary, except for drilling sites of 2,000 acres each, where tests for potash would be made."

RADIO REPORTS CRITICIZED BY RAILROAD

An Associated Press dispatch to-day from Topeka, Kan., says: "Use of the radio on farms for getting market reports has made railroad movement of agricultural products sensitive to changes in prices and has broken down the old custom of seasonal movement, the Public Service Commission was told yesterday in its hearing on the length of freight trains in Kansas. The testimony was given by H.J.Plumpof, superintendent of the Kansas division of the Union Pacific Railroad...."

Section 2

Agricultural Relief Legislation

1 An editorial in The Baltimore Sun for December 16 says: "The new plan proposed for relief of the farmer, though it seems to have most of the defects of the Haugen bill, should be given a hearing. It provides a huge revolving fund, a stabilization fee and for handling of surplus of five major crops. It would give the farmers right to nominate to the President names from which to select directors of the plan. It provides more credit, too much of which many students of the subject declare responsible for many of the farmer's present troubles. Even so, if advocates of the measure can demonstrate that it will work as they predict; if they can present the details and exhibit the machinery of operation and show wherein the scheme will benefit the farmer without imposing on the Government a work it should not undertake or upon the consumer a burden he ought not to bear, support will not be lacking. This is not too much to ask. The whole country is eager to give the farmer what he wants, provided it is brought to believe that he does not wish to embark upon an experiment dangerous to his own as well as to the general welfare. First, it will be necessary to hear the reaction of farm representatives themselves to the proposal. If they can not agree--and they have not as yet been able to agree on the effects of any suggested remedy--they can not complain if other people doubt the practicability of the plan."

2 An editorial in The Washington Post for December 16 says: "The new farm relief bill is before Congress. It has been modified, but its essential features are the same as those of the McNary-Haugen bill. The modifications are obviously made for the purpose of smoothing the passage of the bill through Congress, by two methods: First, by making cotton and rice beneficiaries of Government aid; and second, by pretending to eliminate all provisions for price-fixing and governmental guarantees of profits on crops. The bill authorizes an appropriation of $250,000,000 with which to finance the operations looking to the handling of surpluses. As the farm interests affected are determined to obtain 'relief' at this session or know the reason why, it follows that the authorization of an appropriation will be followed immediately by a demand for the appropriation itself. There goes more than one-half of the Treasury surplus!....What agriculture needs is organization and cooperation within the industry, so that foodstuffs can be marketed by the producers thereof. Consumers could pay liberal prices for food and yet obtain it much cheaper than at present, if efficient marketing were established and unnecessary middlemen eliminated.....The new McNary bill is objectionable to the consumers of the United States. They have created the Treasury surplus by paying excessively high taxes. The surplus belongs to them and not to any industry or class of citizens. The taking of one-half of that surplus and devoting it to the farming class or any other class would be an intolerable wrong."

3 An editorial in The Journal of Commerce for December 16 says: "Some time ago a prominent member of the agrarian element in Congress addressed an utterance to the general public in which he asserted that all that the farmer wanted was to be permitted to handle his own surpluses in his own way and at his own expense. Just a few days ago spokesmen for the Federal Farm Loan borrowers complained bitterly that farmers who were in arrears in their interest and other payments on

funds obtained through rural credit machinery were being foreclosed by heartless bank officials, and added significantly that what was needed was administrative officials in the farm loan banks that were more liberal in their ideas of the way farmers ought to be treated and perhaps legislative action that would enable such liberal treatment to be extended without let or hindrance. What in the light of such facts as these, and there are plenty of them, is to be thought of the newly dressed up McNary farm relief bill? So far as the careful, dispassionate and informed student of these questions is concerned, to ask the question is to answer it. Others may not be in a position to see through the sham with which it is attempted to cloak the real significance of the measure now proposed...."

Corn and Pigs An editorial in The Wall Street Journal for December 16 says: "'What shall we do with corn?' asks the president of a bank in Kewanee, Illinois. He then answers his own question in these words: 'Either feed your corn or hold it for better prices. If fed to hogs, it will return at least one dollar a bushel.' There is no need for advice here as to the price for any crop, but the situation of corn is such as to justify a more friendly feeling toward it....It has been shown before in these columns that hog production and hog prices run in cycles of about four or five years, and that prices are about two years behind production. The tide of production is turning upward now and, as is shown by the banker, there were 40 per cent more sows bred for fall farrowing this year than in 1925, and 25 per cent more for the coming spring. The extra pigs should account for at least 135,000,000 bushels of corn from the present crop. It is shown by the Department of Agriculture that in the first 15 days of November the average farm price of corn was 66 cents, against 74.6 a year ago, when the crop was larger with fewer hogs to consume it. Corn now is cheaper in comparison with the pre-war average than wheat, hay, potatoes, cattle, hogs, wool, butter and eggs. As for the comparison with hogs, taking the pre-war average as 100, corn has an exchange value with all commodities at 76 per cent, while hogs have 109 per cent. The advice, therefore, to feed all that is possible to hogs to be marketed before next fall seems sound."

Cotton Production An editorial in Modern Farming for December 1 says: "We have heard that some of our farmers plan to make next year's cotton crop without the use of fertilizer, and with as little cultivation as possible. Their idea in this is to reduce the cost of their cotton crop. This is very unsound thinking. Reducing the cost of the cotton crop should not be the idea. We must think in terms of unit production, not in terms of entire crops. If gross cost reduction is what is sought, why plant any cotton whatever? What we need is cotton production at less cost. This will play a large part in stabilizing prices and in increasing our profits as will a big price for the staple. If we shave five cents a pound from our production costs we add, in effect, approximately that much to the price at which we sell. Perhaps the benefit is even greater, since the practice of economical production is mighty good training and will have its effect upon our farming enterprise as a whole. To achieve economical production we must increase our acre yields.....There are men who are making good profit on their cotton this year, and wondering what all the howling is about; these are the

farmers who made yields well above the average. We must definitely separate in our minds the ideas of acreage reduction, and reduction of acre yield. The first can be put into practice at a profit; the last, in practically all cases, will result in loss to the individual farmer and to the South. Any number of authentic records show that higher acre yields will reduce the per pound cost of cotton production."

Egypt to Aid Cotton Men — An Associated Press dispatch from Cairo December 16 says: "The Chamber of Deputies voted December 15 for intervention by the Government as a purchaser in the cotton market. A committee was appointed to take the necessary action. While definite action has not yet been decided, it is understood that the Government contemplates buying cotton if its price falls below a level to be fixed soon."

Lowden Program — In an editorial on "Ex-Governor Lowden's Farmer Convention," The Florida Times-Union for December 11 says: "....Without unduly extending discussion of the Lowden-dominated convention of the Farm Bureau Federation, there is one outstanding fact that needs to be referred to here, for it relates particularly to the South. In the dispatch above quoted from, following the sentence quoted, these words appear: 'West and South got together, the corn and hog raisers uniting with the cotton planters for a descent upon Washington.' Yes, that actually happened, the previous efforts of the Lowden followers, to induce men of the South to help in pulling Lowden's political chestnuts out of the fire, having succeeded to the extent as reported in the Times' Chicago dispatch. It can not be believed, at this time, that those of the South, who participated in the Chicago convention, truly represent this section of the country, for the South has given no indication of being politically rampant in the matter of so-called farmer-relief, or is it likely that any considerable number of southern agriculturists will permit themselves to be used for any purpose that is underlaid with and stuffed full of politics, that at any time is likely to explode and do damage, not only to the followers of political gods but, also, to the cause of advancing agriculture....It can not be believed that farmers of the South, in any considerable number, will be tempted by what is offered, or that they will desist from honest and praiseworthy efforts they are making, for the practical advancement of their great agricultural industry, in order that they may help in an unwisely directed onslaught on the National Government....."

Tobacco Prices and Production — A Charlottesville, Va., dispatch to the press of December 16 says: "Dr. J. R. Hutchinson of the Virginia Polytechnic Institute faculty, addressing the eighteenth annual convention of the Farmers' Educational and Cooperative Union at Charlottesville, December 15, said the most serious problem facing farmers was the light tobacco situation. The break in cotton prices this year and the enormous price paid for light tobacco, he said, would cause cotton growers next year to turn to tobacco raising and thus flood the market."

Wood Substitutes — The press of December 11 reports: "Manufacturers of wood substitutes are spending $30,000,000 a year in efforts to obtain business, Merle Thorpe, editor of the Nation's Business, official publication of the United States Chamber of Commerce, December 10 told members of the Baltimore Chapter of the American Institute of Banking...."

Section 3
MARKET QUOTATIONS

Farm Products Dec. 16: Potato markets dull account cold weather. Sales of New York sacked Round Whites ranged $2.50 to $2.65 per 100 pounds in a few eastern cities; $2.25 to $2.35 f.o.b. Rochester. New York Danish type cabbage $2 to $10 lower at $25 to $35 bulk per ton in eastern cities; $2 to $3 lower at $20 f.o.b. Rochester. Wisconsin stock 10¢ to 15¢ higher at $1.50 to $1.65 sacked per 100 pounds in Chicago. New York and Midwestern yellow varieties of onions $2 to $2.65 sacked per 100 pounds in consuming centers; $1.85 to $2.10 f.o.b. Rochester, N.Y. New York Rhode Island Greening apples ranged $3.50 to $4 per barrel in a few eastern markets; cold storage stock $3.50 to $3.75 f.o.b. Rochester.

Chicago hog prices closed at $11.60 for the top; bulk of sales $11.25 to $11.50; beef steers are mostly 25¢ higher, heifers 25¢ higher to 25¢ lower. Cows advanced sharply; the lower grades showing upturns amounting to 60¢. Heavy calves and stockers and feeders held steady, while vealers were steady to 25¢ higher. Fat lambs declined 40¢, yearling wethers 75¢ and fat ewes 25¢. Feeding lambs were steady to 25¢ lower.

Grain prices quoted December 16: No.2 red winter St.Louis $1.38. No.2 hard winter Chicago $1.43 1/2. No.2 yellow corn Chicago 78¢. No.3 yellow corn Chicago 77¢; St.Louis 78¢; No.3 white oats Chicago 48¢; St.Louis 51¢.

Closing prices on 92 score butter: New York 56¢; Philadelphia 57¢; Boston 55¢.

Average price of Middling spot cotton in 10 designated spot markets advanced 5 points during the week, closing at 11.65¢ per lb. December future contracts on the New York Cotton Exchange advanced 18 points, closing at 12.40¢ and on the New Orleans Cotton Exchange they advanced 20 points, closing at 12.10¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	Dec. 16,	Dec. 15,	Dec. 16, 1925
20 Industrials	159.32	160.63	152.88
20 R.R. stocks	119.90	120.48	112.38

(Wall St. Jour., Dec. 17.)

DAILY DIGEST

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Vol. XXIII, No. 67 Section 1 December 18, 1926.

NEW FARM BILL The Associated Press to-day reports: "Senator McNary and Representative Haugen parted company yesterday and a new farm relief proposal under the name of McNary-Fulmer was introduced in the House as a companion for the Senate bill. The farm forces began immediately to lay plans for bringing the new bill to a vote this session, but a decision by the House agriculture committee to discontinue further meetings until after the holidays indicated inaction until January. The Senate committee also plans no meetings until after the holiday recess. The new bill was introduced in the House by Representative Fulmer of South Carolina, and was identical with the McNary bill, except for a provision to postpone application of the equalization fee on cotton until two years after passage. While plans of the farm leaders were being pushed quietly, new interest was attached to the remarks of Representative Dickinson, with publication in the Record in revised form of his Wednesday's speech. Members who discussed it informally were surprised by the directness of Mr. Dickinson's threat to the administration that unless it supported the farm relief program, 'it ought not to be continued in political power.'...Coincident with the introduction of his bill, Mr. Fulmer issued a statement saying that its passage 'is the one way to force tariff reduction by having a farmer-minded board that will look into freight and tariff rates and give Congress facts as they affect agriculture.'"

THE JONES BILL The House agricultural committee yesterday decided to recommend passage of the Jones bill designed to curtail Government cotton estimate reports to monthly statements between September 1 and December 1.

HOOVER ON POWER CONTROL A Providence, R.I., dispatch to the press to-day states that Secretary Hoover, in a discussion at the quarterly meeting of the New England Council at Providence yesterday advocated the control of electric power transmission by the individual States rather than the Federal Government, making interstate compacts where necessary. Unless the growing encroachment of Federal authority is checked, he declared, "it will ultimately break down our Government."

WOOL PRICES The Commercial Bulletin to-day says: "There has been rather more business done this week, including more activity for account of the woolen mills. Prices are hardly changed, fine wools in particular remaining firm. Consumption of wool is proceeding steadily at a decently good rate, while repeat orders on goods continue to be placed with fair regularity. The foreign markets are showing a strengthening tendency as a rule, Australia recording an advance of 3 to 4 cents clean on merinos. The River Plate markets are tending slightly against the buyer and the other primary markets are all firm. Bradford is quiet but steady."

Section 2

American Farm Bureau Federation Strength

An editorial in Price Current-Grain Reporter for December 15 says: "The newspapers of the country are very generally referring to the resolutions passed by the American Farm Bureau Federation at last week's meeting in Chicago as being the unanimous voice of the farmer. A brief analysis of the figures, however, shows that even if the 38 delegates who voted reflected the unanimous opinion of the States they represented, they still lacked much of a united voice. According to the report, the 38 voting delegates represented 25 States. These States, according to the 1925 Agricultural Year Book, have in them 2,979,338 farms. The 23 States that did not vote and that therefore had absolutely no voice in the adoption of the resolutions have in them 3,392,172 farms, or 412,834 more than those that are alleged to represent a unanimous farmer voice. Furthermore, Texas with 465,642 farms had no vote, while Illinois, Iowa, Arizona and Nevada with 11,673 less farmers had ten, Indiana with 195,787 farmers had three, while North Carolina with 283,492 had none, and each of eight States in no one of which is there a farm population of 245,000, had two or more votes, while Missouri, Georgia, Kentucky, Mississippi and North Carolina, in each of which the farm population exceeds 245,000, were without voting representation. In the face of such figures we hardly think anyone can successfully maintain that the twenty-eight resolutions that were adopted truly reflect the farm opinion of the country."

Cotton Production

An editorial in The Wall Street Journal for December 17 says: "One farmer in Alabama this year produced over 700 pounds of cotton to the acre, against an average for the State of 185 pounds. This was not a little experimental patch, but a plot of 80 acres, all of which averaged one and a half bales to the acre. Neither was he particularly favored in his land, as it was red, rocky upland. The conditions under which he worked are no different from those of the average grower....This farmer is J.F. Blake, of Heflin, Alabama. The Wall Street Journal has not seen his cotton, but makes this statement on the authority of the Redd Chemical & Nitrate Co., of Birmingham, who vouch for its accuracy. In this statement is a complete answer to any farmer's question as to how he can obtain a profit for his time and investment in the production of cotton....This should show that profit does not lie in the gross but in the net. It lies in more bales to the acre. To achieve this, greater efficiency on the part of the farmer is required....In the future the order will be intensive farming, reduction of cost per pound by securing a greater output from each acre. That this is necessary should be seen from the official estimates of the cost of raising an acre of cotton. The Department of Agriculture secured data on the average cost of raising an acre in 1925. At the average, 161 pounds of cotton to the acre would cost 18 cents a pound; 200 pounds to the acre 16 cents; 400 pounds to the acre would make an average cost of 10 cents and 637 pounds would cost less than 8 cents. This includes all cost, including that of ginning. Mr. Blake has shown that under proper cultivation and fertilization more than 600 pounds can be secured."

Federal Employees Legislation

The Washington Post for December 17 states that friends of the Federal employees propose to make a vigorous fight during the present session of Congress for a further amendment to the retirement law. The Lehlbach bill, which fixes the maximum retirement pay at

$1,200, is still alive and there is a prospect, although not a very bright one, that it may be enacted into law before the close of the session

French and Germans in Potash Accord

A Paris dispatch to the press of December 17 says: "The tentative agreement framed at Lugano last April between the representatives of the potash industries in France and Germany was made definite for a period of at least seven years at a meeting held in Paris this week....The treaty will probably be signed in Paris at the end of December or in the first days of January."

House Farm Bloc Seeks Bill Sponsor

The press of December 17 says: "The farm bloc in the House is looking for a leader who will sponsor the relief measure offered in the Senate by Senator McNary of Oregon. On Thursday pressure was exerted on Representative Purnell of Indiana, who recently declined to introduce the bill in the face of the opposition of Representative Haugen of Iowa, chairman of the committee on agriculture. If Mr. Purnell persists in refusing some one else will have to be found who is willing to be known as the coauthor. Any number of members would gladly accept the honor but for the fact that they do not wish to displease Chairman Haugen, who favors the provisions of the bill, but also insists on including the tariff yardstick clause, which caused a great deal of opposition in the last session. This provision would set the price of agricultural products at the world price, plus the tariff...."

Section 3

Department of Agriculture

An editorial in The Journal of Commerce for December 17 says: "Apparently something that looks like an agreement between the Federal Government and the southern cotton interests is in a fair way to be reached. The House committee on agriculture is favorably inclined toward what is called the Jones bill, which is intended to limit the number of cotton crop reports to four a season, while increasing the acreage reports of the Department of Agriculture and providing for a new set of reports on grades and qualities of cotton both in warehouse and in process of production....The idea of reducing the number of reports, discontinuing the semi-monthly announcements entirely, and substituting actual bona fide reports on weather and condition of the plant is sound. These are all steps in the right direction, and are what this newspaper has advocated for many years. It is earnestly to be hoped that Congress will proceed to make the changes in the system which are now apparently being advocated. But it is worth while to inquire why these measures are apparently finding favor at the present juncture. What has actually happened has been the production of an enormously large cotton crop, accompanied by great deterioration of prices. This has seemed to give to southern interests the impression that in some way the Government reports were responsible for what has happened. As a matter of fact, they have no such responsibility. Their fault has lain in the circumstance that they did not forecast what was certain to happen, nor did they even attempt to predict it. All of the indications are that the so-called southern interests are now casting about for a means of maintaining prices. They have apparently the support of the Government in an endeavor to restrict acreage for next year, not as openly as the Government of Cuba is restricting sugar acreage, but through supposedly voluntary agreement on the part of the farmer....."

Section 4
MARKET QUOTATIONS

Farm Products Dec.17: Chicago hog prices closed at $11.70 for the top, bulk of sales $11.35 to $11.65; beef steers are unevenly steady to 25¢ lower, declines on heifers ranging from 25¢ to 75¢. Cow prices advanced; the lower grades showing the most upturns. Heavy calves and stocker and feeder steers held steady while vealers were steady to 25¢ higher. Fat lambs declined 65¢ to 75¢; yearling wethers $1, fat ewes 50¢, and feeding lambs 35¢ to 50¢.

New York sacked Round White potatoes ranged $2.50 to $2.65 per 100 pounds in a few eastern cities; $2.25 to $2.35 f.o.b. Rochester. Pennsylvania Round Whites steady at $2.60 to $3. Wisconsin sacked Round Whites slightly higher at $2.15 to $2.40 on the Chicago carlot market. New York Danish type cabbage $5 to $10 lower at $25 to $35 bulk per ton in eastern cities; mostly $20 f.o.b. Rochester. Pennsylvania and Virginia Stayman apples ranged $2.25 to $3.25 per barrel in a few eastern markets. New York Baldwins $2.75 to $3 per barrel; few $2.75 f.o.b. Rochester. New York and midwestern yellow varieties of onions ranged $1.90 to $3 sacked per 100 pounds in consuming centers; $2 to $2.50 f.o.b.

Closing prices on 92 score butter: New York 56¢; Chicago 54¢; Philadelphia 57¢; Boston 55¢.

Grain prices quoted December 17: No.1 dark northern Minneapoli $1.42 to $1.46. No.2 red winter St.Louis $1.38. No.2 hard winter Chicago $1.42. No.2 yellow corn Chicago 77¢. No.3 yellow corn Chicago 76¢; St.Louis 78¢; Minneapolis 74¢. No.3 white oats Chicago 48¢; Minneapolis 46¢; St.Louis 50¢.

Average price of Middling spot cotton in 10 designated spot markets advanced 37 points during the week, closing at 11.79¢ per lb. December future contracts on the New York Cotton Exchange advanced 22 points, closing at 12.35¢, and on the New Orleans Cotton Exchange they advanced 45 points, closing at 12.28¢.(Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Dec. 17,	Dec. 16,	Dec. 17,1925
	20 Industrials	160.66	159.32	152.72
	20 R.R. stocks	121.91	119.90	111.53

(Wall St. Jour., Dec. 18.)

DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 68 Section 1 December 20, 1926

HAUGEN TO SPONSOR FARM BILL The press to-day reports: "After a series of conferences with farm organization leaders, Representative Gilbert N.Haugen of Iowa, one of the authors of the now discarded McNary-Haugen Farm Aid bill, will introduce in the House to-day the measure drafted at the recent Western-Southern Farm Conference at St.Louis. With a few minor changes, it is the same measure that was introduced in the Senate last week by Senator McNary. After considerable reluctance Representative Haugen agreed to present this measure. It was reported yesterday that at a conference with the farm organization leaders last night they served a virtual ultimatum on him that, unless he sponsored their bill, it would be offered by Representative Purnell of Indiana, thus minimizing Mr. Haugen's leadership in the contest for Government assistance to agriculture. The understood objection of Representative Haugen to the bill approved by the St.Louis conference was that it did not provide for using the tariff yardstick in measuring prices of farm products when put upon the market under the system of control advocated by some of the farm organizations.....Representative Haugen's agreement to sponsor the bill, which is the outcome of the new coalition between cotton farmers of the South and the western farm organizations, indicates that the opposition among advanced farm aid advocates in the House of Representatives to undertaking any agricultural legislation at the present session of Congress has been dissipated...."

HINES TO HEAD COTTON INSTITUTE The press to-day states that Walker D. Hines, former Director General of Railroads in the Wilson administration, has been named president of the Cotton-Textile Institute, Inc., it was announced yesterday, Mr. Hines's acceptance is effective at once, but it will be some months before he will take active charge of the affairs of the institute. The appointment of Mr. Hines is expected to clear up materially the cotton situation in the South, according to former United States Senator Lippitt, chairman of the board.

EGYPT TO BUY COTTON A Cairo dispatch to the press of December 19 says: "Following a recent decision by the Chamber of Deputies, a Government communique December 18 states that the Government has decided to enter the cotton futures market and buy all January contracts for Sakellaridis at $23.50, and all contracts for December and January delivery of Ashmouni at $15.50. In all cases it will ask for the delivery of the cotton. The Government expresses the belief that call prices are not due to economic factors but to pressure on the market which it aims at counteracting."

TOBACCO PAYMENTS A Lexington, Ky., dispatch to the press to-day reports that preparations for a second payment on the 1925 tobacco crop of its members are being made by the Burley Tobacco Growers' Cooperative Association. The payment, which will equal 50 per cent of the advance paid on the 1925 crop at the time of delivery, will amount to approximately $6,000,000.

Section 2

Farming Instruction by Mail

The New York Times of December 18 reports that an unusual experiment being carried on in England in conducting an agricultural correspondence course to furnish men for the wheat farms of Canada was outlined by C.J.Smith, vice president of the Canadian National Railways. The course is designed to give to young Englishmen, who desire to migrate to Canada, a competent idea of what agriculture is like in the Dominion, and what are the requisites for its successful pursuit. "Canada has many miles of vast fertile lands awaiting the plow," Mr. Smith said in discussing the course. "She needs settlers on these lands, and the farmers already established in Canada need trained farm hands. Great Britain has thousands of city workers who would like to migrate to the Dominion, but Canada at present has plenty of mechanics and office men of her own. In order to be of some value to the Dominion the immigrant must have some little farm knowledge and be willing to go on the land. To assist in developing suitable immigrants the London office of the Canadian National Railways several years ago arranged for a mail course in farming for the Englishmen who wished to equip themselves to go to Canada. Several thousand young men have taken this course, and many of them are now in Canada making a success of farm life. Some people will smile at the idea of teaching farming by mail, but the correspondence course in Canadian farming conducted by our Department of Colonization in London has undoubtedly been successful. Of the hundreds of men who have taken it before going to Canada, and whom we have sent to farm jobs, not one has been the subject of complaint from the farmer employing him...."

Florida's State Chamber and Agriculture

An editorial in The Florida Times-Union for December 11 says: "...The Florida State Chamber of Commerce has done nothing more successfully than it has accomplished already in the matter of moving for betterment of Florida agriculture. The State chamber named the committee on agriculture which is responsible for the splendid and worth-while agricultural conference held in Miami on the day preceding the annual meeting. That conference was designated as a fact-finding conference....It was realized, within the past year, as never before, that if Florida is to make the very best use of the natural resources of agriculture, such as are abundant in this State, there must be placing of agriculture on a firm and substantial basis; that there must be all possible encouragement for making Florida agriculture successful and, at the same time, discouragement of whatever tends to retard or to hinder the State's agricultural advancement....Agricultural production received just a fair amount of attention, it being conceded that Florida land, intelligently planted and cultivated, can and does produce abundantly. Marketing of what is produced received a very great deal more of attention and of the most practical sort. Among other matters receiving full share of consideration was that of the offering for sale of hitherto uncultivated land and the related matter of colonization for agricultural purposes. County agents and home demonstration agents likewise received attention, the value of their work being so highly appreciated that the conference decided to urge the appropriation, by the State and by the several counties, of funds sufficient to pay for the services of as many of the very best of county agents and home demonstrators as can be used, efficiently and beneficially, many of such agricultural agents already doing such splendid work as to put forward the agriculture of Florida and to make rural life better and happier and, of course, more prosperous...."

Section 3
MARKET QUOTATIONS

Farm Products For the week ended Dec. 18: Markets generally dull account of cold weather. A few sales of sacked Maine Green Mountain potatoes ranged $2.75 to $3 per 100 pounds in eastern cities with bulk stock at $2.15 f.o.b. Presque Isle. Wisconsin sacked Round Whites sold at $2.15 to $2.40 in carlots in Chicago on December 17: Midwestern yellow onions continued firm with some sales reported at $2 to $2.50 sacked per 100 pounds in the Middle West. No sales were reported at North Central shipping points. Philadelphia and Baltimore quoted New York Danish type cabbage slightly lower at $25 to $28 bulk per ton. F.o.b. reports were mostly $20 in western New York. New York Rhode Island Greening apples sold at $3 to $3.50 per barrel in New York City.

Top price on hogs at Chicago to-day is $11.75 to 10¢ lower than a week ago, bulk of sales at $11.40 to $11.70 showing a similar decline. Steers closed mostly steady with spots 25¢ higher on the better grades. Yearlings declined 25¢ to 50¢ as the week closed, although the extreme top $14.35 paid early in the week was the highest of the year. Fat cows were strong to 15¢ higher, vealers 25¢ to 50¢ higher, stockers and feeders holding steady. Fat lambs closed 75¢ to $1, yearling wethers showing similar decline.

Butter markets were firm during the week ending December 18. Light supplies particularly of finer grades an outstanding feature. Demand fairly active despite further price advances. Production irregular but on the increase. Movement of storage butter heavy. Firmer foreign markets lessen possibility of increased imports. Some New Zealand and Danish butter arrived at New York during the week. Closing prices on 92 score: New York 56¢; Chicago 54¢; Philadelphia 57¢; Boston 55¢.

Hay market generally firm and cooler weather caused a brisk demand. Receipts liberal at most markets. Shipping demand good but there is still considerable forage some sections, particularly in Southern States; Some accumulation at terminals in eastern markets. Demand more active for No. 2 or lower grades. No.1 timothy New York $27; Cincinnati $19; Chicago $22; St.Louis $23. No.1 alfalfa Kansas City $20; Omaha $18. No.1 prairie Kansas City $16; Omaha $17; St.Louis $19; Minneapolis $20.

Feed market easier. Demand slightly less active with approach of inventory season. Wheatfeeds about 50 cents per ton lower in Northwest but unchanged in distributing markets.

Average price of Middling spot cotton in 10 designated markets advanced 32 points during the week, closing at 11.81¢ per lb. December future contracts on the New York Cotton Exchange advanced 35 points, closing at 12.52¢, and on the New Orleans Cotton Exchange they advanced 43 points, closing at 12.34¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Dec. 18,	Dec. 17,	Dec. 18, 1925
	20 Industrials	161.86	160.66	152.67
	20 R.R. stocks	122.48	121.91	110.91

(Wall St. Jour., Dec. 20.)

DAILY DIGEST

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Vol. XXIII, No. 69 Section 1 December 21, 1926.

MCNARY BILL INDORSED BY HAUGEN

The Associated Press to-day says: "Terminating ten days of uncertainty as to his attitude on new farm relief proposals, Chairman Haugen of the House agricultural committee yesterday indorsed the new McNary bill and, virtually unchanged, introduced it as a companion measure in the House. His measure, like that of Senator McNary provides for an equalization fee on five principal commodities, including cotton, and this is expected to precipitate a controversy between Haugen and Representative Fulmer of South Carolina, who has introduced the McNary bill modified to exempt application of the fee on cotton until two years after enactment. Haugen, who is an Iowa Republican, described his measure as 'the best thought of the farm leaders all over the country,' and said hearings on it would commence January 6 with prospects of a report to the House shortly thereafter."

BOTANIC GARDEN BILL

The press to-day reports that the House yesterday passed a bill for the enlargement of the Botanic Garden by a vote of 221 to 54, under a suspension of rules. The bill authorizes an appropriation of $820,000 for acquisition of the two additional squares directly south of the present garden, and for the removal of the present buildings in the area, as well as for the removal of the Bartholdi fountain. It already had been passed by the Senate but it goes to conference because the House advanced until the next session the time when the joint public library committee must report on the project.

SENATE TO INVESTIGATE BREAD MERGERS

The press to-day states that "recent combinations of large baking corporations will be brought under the prying eyes of a Senate judiciary sub-committee appointed yesterday to conduct an investigation. Senator Walsh of Montana, named as chairman, has called his two coinvestigators, Borah, of Idaho, and Deneen, of Illinois, to assemble tomorrow to get the inquiry under way. The investigation is designed either to confirm or disprove various reports surrounding the combination of the Ward, Continental and General Baking Companies. The subcommittee is authorized to determine and report to the Senate what proceedings have been undertaken by either the Federal Trade Commission or the Department of Justice to ascertain facts concerning 'combinations in restraint of trade in bread and related products.'...."

COTTON MOVEMENT

A New Orleans dispatch to the press of December 20 says: "The movement of the cotton crop to market last week showed a marked falling off from preceding weeks, although still running ahead of last year. The total brought into sight was 610,779 bales, against 718,927 bales last week and 582,361 bales last year. The comparatively small movement was attributed mainly to the very bad weather which has prevailed. Nevertheless the amount of American cotton in sight has continued to gain and is now 6,609,400 bales, against 4,993,584 last year...."

Section 2

Agricultural Credit

The Federal Reserve Bulletin for December says: "Rediscounts outstanding at the Federal intermediate credit banks during the month of October were reduced approximately $2,500,000, largely as a result of liquidation by agricultural credit corporations in the Columbia (S.C.) Federal land bank district. Direct loans outstanding increase approximately $8,650,000 during October, and an additional slight increase was made during the first two weeks of November. Advances on tobacco were reduced more than $4,000,000 during this period, while reductions were also effected in loans based on canned fruits and vegetables and wool. Advances on raisins were increased approximately $1,600,000, rice $1,000,000, and cotton $11,000,000. A slight increase was also made on loans based on wheat. While the greatest increase in direct loans took place on cotton, the level of $18,561,000 reached on November 13 is slightly less than the amount of advances upon this commodity at the same time a year ago....Outstanding farm-mortgage loans held by Federal land banks increased nearly $6,000,000 during October, while the increase in loans held by joint-stock land banks increased approximately $4,500,000....."

Agriculture and the President's Message

An editorial in The Indiana Farmer's Guide for December 18 says: "That President Coolidge's message to Congress was a disappointment to farmers, and particularly to those of the West and South, is putting it mildly. They had hoped he would make recommendations in their behalf that would influence Congress to pass legislation tending to relieve the generally acknowledged unfavorable situation. They expected him at least to show a sympathetic attitude. But the President contented himself with pointing out what had been done for agriculture, and in cautioning Congress to avoid putting Government into the business of production or marketing, or attempting to enact legislation for the purpose of price fixing. He expressed his belief that farmers do not favor any attempted remedies that partake of these elements, even though they do want assistance, and he let the subject go at that. President Coolidge has apparently overlooked the fact that there is a growing insistent demand that agriculture be given legislation that will place farmers on an equality with industrial workers. This legislation is wanted soon, regardless of whether it puts Government in business or fixes prices. The farmers of the West, and they have now been joined by the farmers of the South, are in accord in voicing this sentiment...."

Egypt to Buy Native Cotton

A Washington news item of December 18 says: "On the heels of news received here that the Egyptian Government had curtailed cotton growing, Ismail Kamel Bey, Egyptian Charge d'Affaires, announced December 17 that owing to speculative elements his Government would intervene further and become a purchaser in the Egyptian cotton market. The statement emphasized that Egypt, in intervening as a purchaser, did not do so to raise the price artificially, but to stabilize it and 'put to an end local speculations' which have caused an abnormal fall in price there. The step was only a temporary one, it was said, and the Government probably will withdraw as soon as the crisis has passed. No price has as yet been fixed, the charge added, for the cotton to be purchased, but a commission is studying the situation."

Food Prices The retail food index issued by the Bureau of Labor Statistics of the United States Department of Labor shows for November 15, 1926, an increase of one per cent since October 15, 1926; a decrease of about three and a third per cent since November 15, 1925; and an increase of a little more than fifty-four per cent since November 15, 1913. The index number (1913 = 100.0) was 167.1 in November, 1925; 160.0 in October, 1926; and 161.6 in November, 1926. During the month from October 15, 1926, to November 15, 1926, 8 articles on which monthly prices were secured increased as follows: Strictly fresh eggs, 13 per cent; potatoes, 5 per cent; butter, 3 per cent; storage eggs and navy beans, 2 per cent; and plate beef, fresh milk and cheese, 1 per cent. Twenty articles decreased: Pork chops, 10 per cent; lard, 4 per cent; canned red salmon, and rice, 3 per cent; ham, prunes and oranges, 2 per cent; sirloin steak, round steak, rib roast, bacon, leg of lamb, hens, oleomargarine, canned peas and raisins, 1 per cent; and chuck roast, vegetable lard substitute, tea and coffee, less than five-tenths of 1 per cent. The following fifteen articles showed no change. Evaporated milk, bread, flour, cornmeal, rolled oats, corn flakes, wheat cereal, macaroni, onions, cabbage, baked beans, canned corn, canned tomatoes, granulated sugar and bananas.

Rubber Requirements The estimated world requirements of rubber for the year 1926 have been reduced from 657,000 tons to 625,000 tons, according to advices just received by Barkers Trust Company of New York from its British information service. The estimated requirements of the United States have been reduced from 420,000 tons to 390,000, while those of Great Britain are expected to total 40,000 tons instead of 35,000 tons as estimated at the beginning of the year. The estimate for France remains at 39,000 tons but Germany's requirements are placed at 23,000 tons instead of 39,000. The estimated requirements of Italy have been reduced by 1,000 tons to 12,000; Japan's estimated requirements increased from 16,000 tons to 19,000, and Canada's requirements are expected to remain as previously estimated at 21,000 tons. The rest of the world, instead of using approximately 31,000 tons of rubber, will probably need only 28,000 tons. The surplus is estimated at 53,000 tons, of which it is expected that about 70 per cent will be held in London at the end of the year. Shipments of plantation rubber to the end of October total approximately 474,314 tons, compared with 337,865 tons shipped in the same period of 1925. Brazilian and wild rubber shipments to the end of October this year totaled 30,612 tons, as against 26,715 tons for the ten months of 1925. The total of all rubber shipments to the 31st of October 1926 was 504,926 tons, compared with only 414,580 tons for the same period of last year. The consumption of rubber in the United Kingdom during the ten months of the current year ended October, amounted to 33,395 tons and 43,696 tons were held by manufacturers. For the 12 months of 1925 consumption totaled 29,806 tons and stock on hand at the end of the year amounted to 6,220 tons. In the United States 305,040 tons were consumed up to October, and 64,990 tons remained in stock. For the entire year 1925 384,644 tons were consumed and the stock at the end of the year amounted to 51,215 tons."

Section 3

Department of Agriculture

An editorial in The Florida Times-Union for December 18 says: "Secretary Jardine, of the Department of Agriculture, gives a great deal of thought to cooperative marketing in his annual report. This would seem to the layman as being excellent. There can scarcely be thought in the world that sees over-production in one section and starvation in another, that there is really too much grain or cotton or other of the products of the soil raised. It is a matter of distribution, of course, and cooperative marketing means distribution in the best possible way and to points and at times when the need is shown for such products as are on hand. The world is not yet fully clothed; and bread yet sells for prices very near those charged during the World War. The bakers say that they can not sell for less on account of the high wages--the cost of manufacture, but the wheat growers should, and probably do, know that there is use for all the wheat grown--only there are times when it is not easy to get it spread around. 'Cooperation is the one method by which the farmer can hope to solve his marketing problems year in and year out,' declares the Norfolk Virginian-Pilot, which has been digesting Secretary Jardine's report and approves of it. 'It is the one method by which he can hope to adjust his plantings in accordance with the fluctuations of price and of market demands for his products. The cooperative organization does more than help to solve the farmer's marketing and planting problems. It serves also as an agency for the dissemination of general information about new farm processes, is to be regarded as one of the chief educational agencies in the agricultural field.'.... The farmers of the country no more need subsidizing than do the lawyers or doctors or newspapermen. They have the first element of self-preservation at hand; they raise, usually, what is needed for food, on the farm; then afterwards they should raise crops most suited to the soil under cultivation, and sell them, through cooperative plans, for money needed and desired. The occasional, or frequent demands of wheat-growers for 'protection' or subsidies and the calls for cotton growers to the country to 'buy a bale,' are evidences of miscalculation and failure to work together."

Section 4

MARKET QUOTATIONS

Farm Products

Dec. 20: Chicago hog prices closed at $11.90; bulk of sales at $11.40 to $11.75 showing a 15¢ to 20¢ advance. Beef steers declined generally at 25 to 50¢; cows were steady to 45¢ higher, while vealers advanced 75¢. Heavy calves and stockers and feeders held steady. Fat lambs declined about 60¢, yearling wethers 50 to 75¢ and feeding lambs 50¢; fat ewes held steady.

Grain prices quoted December 20: No.1 dark northern Minneapolis $1.42 to $1.46. No.2 red winter Chicago $1.40 1/2; St.Louis $1.38. No.2 yellow corn Chicago 77¢. No.3 yellow corn Chicago 74¢; St.Louis 74¢; Minneapolis 76¢. No.3 white oats Chicago 48¢; St.Louis 47¢; Minneapolis 47¢.

Average price of Middling spot cotton in 10 designated spot markets declined 1 point closing at 11.80¢ per lb. December future contracts on the New York Cotton Exchange advanced 1 point, closing at 12.53¢ and on the New Orleans Cotton Exchange they declined 8 points, closing at 12.26¢. (Prepared by Bu. of Agr. Econ.)

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DAILY DIGEST

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Vol. XXIII, No. 70 Section 1 December 22, 1926.

THE DEPARTMENT SUPPLY BILL

The press to-day reports that the Department of Agriculture supply bill, appropriating $128,000,000 for the next fiscal year, was passed yesterday by the House and sent to the Senate.

BOTANIC GARDEN BILL

The Senate yesterday agreed to the House amendments to the bill for the enlargement of the Botanic Garden, according to the press to-day.

WATERWAYS BILL PASSED

The rivers and harbors bill was passed last night by the Senate by a vote of 57 to 9. All provisions proposed by the Senate commerce committee as amendments to the House bill were approved. As passed by the Senate the bill would authorize the expenditure of approximately $70,000,000 on river and harbor improvements in all sections of the country. The figure is higher than the House provided, and the bill now goes to conference for adjustment of differences. (Press, Dec. 22.)

LOWDEN ON FARM AID

The New York Times to-day reports: "Frank O. Lowden, former Governor of Illinois and one of many aspirants for the Republican nomination for President, if President Coolidge should not run again, expressed the conviction at New York yesterday that Congress would have to find a way to help the farmer out of his present difficulties. Mr. Lowden is the first choice of many Republicans in the farm belt of the Middle West for the Presidency and the second choice in a number of 'Coolidge' States.... Asked if he believed that legislation in Congress is imperatively needed to solve the agricultural problem and give the farmer relief, Mr. Lowden said: 'I do. Disposal of the surplus crops is the troublesome thing. It is the controlling factor in the market. I do not know exactly what should be done, but I think that just as Australia found a way to take care of her huge wool surplus without bankrupting the farmer, Brazil found a way by which her coffee surplus ceased to be a menace and England a method by which her rubber surplus no longer paralyzes the rubber industry, so we in America, if we will, may find a means of taking from the back of the American farmer the burden of his surplus crops. When you consider that the farmers earned in the year ended last June 30 only 3.5 per cent on their investment and earned that percentage only because the value of their investment had shrunk a third since 1919, you can see how serious the plight of the farmers is. And their earnings, including management and family labor, have shrunk from $1,570 as an average to $648 a year. That is in startling contrast to conditions in other lines of business now being hailed as "unexampled prosperity." And there are more people now engaged in farming than in manufacturing, mining and transportation combined.' Mr. Lowden suggested that the way out might be through the plan suggested by the Federation of Farm Bureaus, which involves the creation of a Federal Farm Board to supervise the marketing of surplus crops. This plan, he said, would make for 'organized' selling, but would not involve the Government itself in price fixing."

Section 2

Canadian Wheat Pool

An editorial in The Northwestern Miller for December 15 says: "It is to the credit of the Canadian Cooperative Wheat Producers, Limited (the Wheat Pool) that it is taking no official part in the controversy as to whether or not it did as well for its members in marketing the 1925 wheat crop as the open market did for nonmembers. The pool average for the year was $1.45 bushel for No.1 northern at Fort William, while the open market average was $1.51. Whether or not this difference was due to the pool's abandonment of the initial purpose to market definite quantities of wheat each week is a moot question and the point on which much of the criticism of the pool is based. Whatever one's views on the theory of pool marketing, it is necessary to concede that the officials and directors of the Canadian pool have accomplished much in organization and in bringing the enterprise to its present state of efficiency. Faced with the necessity of pioneering in a new field and with untried tools, the pool has proved its ability to adapt its methods to changing conditions, and undoubtedly has won the confidence, not only of its members but of business and industrial interests in Canada outside of agriculture and the grain trade. This can be regarded only as a signal accomplishment...."

Cooperation in Tennessee

An editorial in Southern Agriculturist for December 15 says: "Recently Southern Agriculturist sent out a questionnaire on cooperative marketing results to a picked list of farmers scattered all over Tennessee. The replies to this questionnaire--nearly 200 of them--probably give a fair picture of the feeling of farmers toward the cooperative activities that have been entered upon in the State. Taking the replies that dealt with specific farm products and dividing them as accurately as possible into those which thought cooperative marketing had been successful and those which thought it had not, we had the following results: Tobacco--Successful, 9; unsuccessful, 11. Cotton--Successful, 16; unsuccessful, 17. Wool--Successful, 42; unsuccessful, 3. Lambs--Successful, 37; unsuccessful, 1. Strawberries--Successful, 19; unsuccessful, 4. Poultry and eggs--Successful; 9; unsuccessful, 1. Peaches--Successful, 15; unsuccessful, 1. Sweet potatoes--Successful, 26; unsuccessful, 3. Dairy products--Successful, 10; unsuccessful, 0. Livestock--Successful, 6; unsuccessful, 0. Vegetables--Successful, 10; unsuccessful, 3. Miscellaneous products--Successful, 4; unsuccessful, 0. From the figures, the tobacco associations and the cotton association have succeeded in pleasing a little less than half of their members; but the various local cooperatives of the State have been satisfactorily to 92 per cent of their members. In a word, whatever may be thought of the big centralized cooperatives, the local cooperative association handling the product of the farmers of a neighborhood or a shipping point has been an unqualified success. For any business organization that can please nine of its members out of every ten can not be thought other than a success."

Cotton Acreage

An editorial in The Journal of Commerce for December 18 says: "From the strictly logical point of view, the current talk about the cotton situation and the need of doing something to help the southern farmer out of his difficulties would be a good deal more satisfying if more rationality were injected into the plans and propaganda concerning themselves with acreage.....The well informed in the cotton trade, and for that matter in the general community, hardly need to be reminded

that cotton is grown in this country in very substantial degree on credit. Bankers, local merchants, factors, wholesale houses and a few other such agencies provide the funds which enable a very large number of growers to operate....A number of advantages of this natural method of acreage reduction are obvious. The farmer who has only 'marginal' land to cultivate, who has shown himself to be a poor farmer, who has earned a reputation for being rather loose in his business methods, or who for any other reason is not a good producer in an economic sense is the man, of course, who will feel the pinch the hardest from the dispensers of credit. This fact will, broadly speaking, tend directly to eliminate high cost cotton and leave low cost producers to raise next year's crop. Needless to say, not only the Cotton Belt but the whole country will benefit from such a process of 'natural selection' among cotton growers. Another rather interesting phase of this subject is found in the fact that marginal producers will be found in much larger numbers in some sections of the belt than in others. It may well be doubted if there are many such to be found in the newer Cotton Belt in the Southwest--except, of course, in the event of exceptionally adverse weather. Most of these producers are even to-day making money on their cotton. The same is to be said in one degree or another in some portions of the old belt. Yet in large areas of such States as Alabama, Georgia, South Carolina and Louisiana, to mention no others, farmers are losing money on their cotton crop. It is natural to expect therefore that it is in such districts as the latter that acreage reduction will be most pronounced. At least such will be the case to the extent that retrenchment is the result of natural economic law, so-called."

Farmers' Foreign Tour — An editorial in The Christian Science Monitor for December 15 commenting upon the forthcoming European tour of 500 American farmers, led by the president of the American Farm Bureau Federation, says:"....This tour is likely to have an important bearing on the future of farming in the United States and may do much to help in the solution of American agricultural problems. It might also lead to a changed attitude on the part of numbers of the people of the Middle West toward various aspects of the country's relations with the nations of Europe...Among special subjects to be investigated in particular countries are irrigation in Holland, reforestation in Germany, waste land reclamation in Denmark, land terracing along the Rhine, and meat and egg packing in Denmark. It is safe to say that the 500 American farmers after crossing the ocean for this study tour will not confine their inquiries to any set or small number of subjects but will take advantage of their opportunities to learn all they can of the intensive methods of farming for which Europe has been famous for centuries...."

McNary-Haugen Bill — An editorial in Farm Life for December 19 says: "Congress meets, and it is time to write another editorial about the McNary-Haugen bill. Nearly three years ago we said it was a new thing, but it looked pretty good to us. Two years ago we indorsed it heartily. A year ago we said on this page that the measure still had merit, but there was too much opposition to hope for its passage. 'The McNary-Haugen bill is dead,' we said in effect, 'and it might better be buried and forgotten, while the friends of agriculture turn their attention to some compromise measure against which there is not so fixed a prejudice.' Now we understand it is to be brought before

Congress again. We have a weary hope that it may pass, though our feeling is that it probably will fail again. But even then the question will not down. Like some persistent ghost it will haunt the halls of Congress as long as the farmer does not get an American price for his labor. There is justice in the idea behind the McNary-Haugen bill, however much we may quibble about the details, and though editors may grow weary and politicians be fearful the issue will survive."

Section 3
MARKET QUOTATIONS

Farm Products Dec. 21: Maine sacked Green Mountain potatoes ranged $2.75 to $3 per 100 pounds in eastern markets. Eastern Round Whites $2.50 to $3; mostly $2.35 f.o.b. Rochester, New York. New York Danish type cabbage $25 to $32 bulk per ton in distributing centers; mostly $20 to $21 f.o.b. New York and Midwestern yellow onions $2 to $2.75 sacked per 100 pounds in consuming centers; $1.85 to $2.50 f.o.b. New York Rhode Island Greening Apples $3.50 to $4 per barrel in eastern markets.

Chicago hog prices closed at $11.70 for the top, bulk of sales $11.25 to $11.55. Beef steers choice $10. to $13; heifers, good and choice $6.50 to $11.50; cows, good and choice $6 to $7.35; cutters and low cutters $4 to $5; vealers, medium to choice $10.50 to $12.75; heavy calves $6 to $8.50; stockers and feeders $5.75 to $8.25; fat lambs $10.50 to $13; yearling wethers $7.50 to $10.25; fat ewes $7.25 to $10; feeding lambs $10.50 to $12.25.

Grain prices quoted No.1 dark northern Minneapolis $1.43 to $1.47. No.2 red winter St.Louis $1.40. No.2 yellow corn Chicago 77¢. No.3 yellow corn Chicago 76¢; St.Louis 76¢; Minneapolis 76¢. No.3 white oats Chicago 48¢; St.Louis 50¢; Minneapolis 47¢.

Average price of Middling spot cotton in 10 designated markets advanced 3 points, closing at 11.83¢. December future contracts on the New York Cotton Exchange advanced 24 points, closing at 12.77¢, and on the New Orleans Cotton Exchange they advanced 1 point, closing at 12.27¢. (Prepared by Bu. of Agr. Econ.)

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DAILY DIGEST

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Vol. XXIII, No. 71 Section 1 December 23, 1926.

BREAD TRUST INQUIRY ON The press to-day reports that the Senate inquiry to determine what steps were taken by the Federal Trade Commission and the Department of Justice to curb possible monopolistic tendencies in the recent $100,000,000 merger of the Ward, Continental and General Baking Companies began yesterday before a subcommittee of the judiciary committee headed by Senator Walsh of Montana and including Senators Borah and Deneen. After a two-hour examination of Otis B. Johnson, secretary of the trade commission, hearings were adjourned subject to call.

MCNARY BILL Senator McNary has inserted in the Congressional Record of December 22 a brief statement showing the difference between the bill for agricultural relief introduced by him last week and a similar bill introduced last year.

COTTON MARKET BILL Senator Ransdell yesterday introduced a bill to amend the Cotton Futures Act, which is designed to place the contract of the New Orleans cotton exchange on a parity with that of New York and Chicago.

BOULDER DAM PROJECT The House irrigation committee yesterday favorably reported the Boulder canyon dam project on the Colorado River, involving an expenditure of $125,000,000, according to the press to-day.

EUROPEAN SUPER-PHOSPHATE TRUST A Paris dispatch to the press to-day says: "It is reported that a general superphosphate trust has been concluded by France, Britain, Germany, Belgium, Czechoslovakia, Denmark, Finland, Holland, Norway, Poland, Sweden, French North Africa and British South Africa. The adhesion of the States of Italy and Spain is said to be a distinct possibility. Headquarters have been established in London under the direction of Mr. Martens, England, President, and Vice Presidents M. Berr, France; Herr Schleiblen, Germany, and M. Matthiason, Sweden. The organization purposes to study all matters relating to phosphoric acid generally and superphosphates in particular. The members will exchange information, sales propaganda, scientific research, and technical collaboration. The union is said to have resulted from the German invention of new synthetic fertilizers, which are cutting into the sales of superphosphates. ...."

COTTON RATES A New Orleans dispatch Dec. 22 says: "If freight rates on cotton are to be reduced 20 per cent or more, as is sought by eleven southern cooperative associations in action brought against the southeastern and southwestern railroads, the lines in the Southwest must have revenue from other sources. This was the principal argument made by G. B. Ross, representative of the Santa Fe, at New Orleans, Dec. 21 at a hearing before Commissioner T. F. Woodlock of the Interstate Commerce Commission. ...."

Section 2

Bankers Indorse Orderly Marketing

Indorsement of plans before Congress to provide American agriculture with a sound marketing system as a means of stabilizing prices is expressed in resolutions adopted by the executive committee of the State bank division, American Bankers Association, made public at New York by Guy E. Bowerman, president of the division. The action of the committee was as follows: "The executive committee of the State bank division, American Bankers Association, believes that agriculture is and always has been handicapped as an industry because of the lack of a system of orderly marketing very much in the manner that our banking system suffered before the creation of the Federal Reserve System for want of necessary machinery to mobilize our credit resources. We believe that as a result of this lack of a Nation-wide system of marketing this great industry is now suffering from a depression that will ultimately affect the entire business life of the Nation. Therefore the Committee heartily indorses the efforts now being made by Congress to create a sound, workable system of orderly marketing on a Nation-wide plan that will enable the farmer to mobilize his crop surplus and market it in a business-like manner, thereby stabilizing farm prices."

Citrus Fruit Aid Asked

Representative Drane of Florida introduced a bill December 21 authorizing the appropriation of $500,000 for the aid of citrus fruit growers of his State whose lands were devastated in last summer's hurricane, according to the press of Dec. 22.

Cotton Report Legislation

The press of December 22 says: "Semi-monthly cotton reports on July 15, August 15 and November 15 will not be made hereafter under terms of an amendment to the agricultural appropriations bill offered by Representative Buchanan of Texas and adopted by the House of Representatives December 21. The change from eleven to eight reports during the growing season was with the concurrence of the Department of Agriculture, but only adopted by the House after a spirited fight led by Representative Rankin of Mississippi in opposition."

Exports

An editorial in The Wall Street Journal for December 21 says: "Exports of merchandise from the United States in November were valued at $481,000,000, against $448,000,000 a year ago. Imports at $376,000,000 were practically the same as November, 1925. These figures make it certain that we will finish the calendar year with an excess of exports over imports of one-half to two-thirds that of 1925. The excess of merchandise exports over imports in the calendar year 1925 was $683,258,000 at the outset. Cotton will make up the greatest part of this decrease, although we are now exporting cotton in greater volume than ever before in our history. The exports of cotton in November were 1,486,224 bales, and last year, which was considered unusual, they amounted to 1,206,786. The largest total for any year was about 11,000,000 bales, in 1912, so it can be seen what a tremendous volume of cotton is being sent out. But the export price is only about half that of a year ago, hence the great decrease in our export balance. Other goods are being exported in considerable volume. We are sending out more wheat than a year ago, more petroleum, machinery, automobiles, rubber goods, manufactures of steel, tobacco and other such commodities. This is a good showing in a year when the foreign trade of nearly all of the great industrial countries of Europe suffered a considerable decline. If our imports look large, it must be remembered that we are buying more of

tropical foodstuffs and of raw materials. The volume figures for October have been published, and they show that for ten months we have imported 1,235,000,000 pounds of coffee, against 1,040,000,000 a year ago. In value, here is an increase of about $36,000,000. While the United States is an exporter of copper, it is also an importer. We have imported a great deal more copper in volume and value this year than in 1925. Our imports of raw rubber, jute, aluminum and other such materials have also considerably increased, both in volume and value. There is nothing at all discouraging about such imports, because they bespeak an active industrial demand. It is very likely from the few figures that have already been submitted, that the year 1925 will show a normal foreign trade for the United States, and also point forward to a good trade in the immediate future."

Florida's Agricultural Report

An editorial in Florida Times Union for December 16 says: "Following the agricultural conference, held in Miami on Monday of last week, under the auspices of the Florida State Chamber of Commerce, the agricultural committee, which arranged the meeting, submitted a very comprehensive report in which are set forth various matters discussed in the conference and the objectives which the agricultural committee has in view. The report is concise and at the same time so comprehensive that it becomes a chart for the guidance of present and perhaps of future agricultural development in the State. ....The agricultural committee recommends a 'sufficient' appropriation by the State for the Florida State Marketing Bureau, whereby this bureau may send out 'printed information showing exactly what growers of similar products in other parts of the country are doing, and how they are doing it and showing also what actually is being done in Florida.' The agricultural committee of the Florida State Chamber of Commerce very properly expresses its sincerest appreciation of what is being done by Florida county agents and home demonstration agents, realizing that these men and women are doing a vast amount of splendidly good work for the advancement of the agricultural industry of this State, and for giving to rural life all the helps and advantages that may be acquired through practical knowledge that makes such life more productive, more prosperous, and more happy. Finally, the agricultural committee suggests the creation, by the State Chamber of Commerce, of an agricultural advisory council to work with the committee under the auspices of the State chamber. ....The work of the proposed agricultural advisory council can be made of utmost value to the agricultural industry of this State, and to the State as a whole, by functioning along the lines suggested and along others that it may be found necessary to follow later on. This entire report, although comparatively brief, is of immense importance to the entire State of Florida. It ought to be studied with the greatest of care by all who in any way are interested sincerely in the progress and prosperity of Florida, which is so largely an agricultural State, that whatever is done for agricultural advancement, if done practically, means such progress as will be amazing, now, and in the years to come. ...."

Market Prospect

An editorial in The Magazine of Wall Street for December 18 says: "Continued strength in the stock market has finally attracted the attention of the public which now seems convinced that the rise will continue further and that it should get 'on the band wagon' before the opportunity for a speculative profit vanishes completely. The market is becoming broader, thus showing the effects of increasing public partici-

pation but has not lost its fundamental selective character. It is significant that in the main the advance is being confined to the more seasoned type of dividend-payers, reflecting in part the flowing-over of investment funds from the bond market to stocks. Hence, probably the most potent factor in rising stock prices is the relatively favorable money situation. It can not be said, however, that the advance has a vital connection with the business outlook itself. Though few competent observers believe that conditions will turn really poor during the earlier part of next year, they all seem to agree that business will be somewhat quieter than in 1926 and that profits will probably be on a smaller scale. It is for this reason that it is difficult to justify the spectacle of an advancing market during a period when it seems that business is about having all it can do to keep from losing ground."

Section 3
MARKET QUOTATIONS

Farm Products

Dec. 22: Maine sacked Green Mountain potatoes closed at $2.85 to $3 per 100 pounds in eastern markets. Wisconsin Round Whites $2.10 to $2.25 carlot sales in Chicago; $1.90 to $2.05 f.o.b. Naupaca. New York Rhode Island Greening apples $3.50 to $4 per barrel in New York. Michigan Baldwins $3 to $3.25 in Chicago. New York Danish type cabbage around $2 to $5 lower in leading markets at $25 to $33 bulk per ton; trading at $20 to $21 in western New York. Florida Wakefield cabbage $2 to $3 per 1 1/2 bushel hamper. New York and Midwestern yellow onions mostly $2.25 to $2.75 sacked per 100 pounds in consuming centers, top of $3 in New York City.

Chicago hog prices closed at $11.70 for the top, bulk of sales at $11.25 to $11.55; All grades of beef steers and heifers declined, ranging from 25¢ to 75¢ lower than a week ago. Cows advanced 25¢, vealers being steady to 25¢ higher. Heavy calves and stockers and feeders held steady. Fat lambs were steadyto 15¢ higher, yearling wethers 25¢ higher to 25¢ lower, and fat ewes remained steady.

Grain prices quoted December 22: No. 1 dark northern Minneapolis $1.43 to $1.47. No. 2 red winter St. Louis $1.38. No. 2 hard winter Kansas City $1.38. No. 3 yellow corn St. Louis 75¢; Minneapolis 76¢; Kansas City 75¢. No. 3 white oats St. Louis 49¢; Minneapolis 46¢.

Closing prices on 92 score butter: New York 53¢; Chicago 50¢; Philadelphia 53¢; Boston 52¢.

Average price of Middling spot cotton in 10 designated markets advanced 23 points during the week, closing at 12.06¢ per lb. December future contracts on the New York Cotton Exchange advanced 31 points, closing at 13.08¢ and on the New Orleans Cotton Exchange they advanced 20 points, closing at 12.47¢. (Prepared by Bu. of Agr. Econ.).

Industrials and Railroads

Average closing price	Dec. 21,	Dec. 20,	Dec. 21, 1925.
20 Industrials	160.29	160.46	153.91
20 R.R. stocks	121.52	122.38	110.34

(Wall St. Jour., Dec. 23.)

DAILY DIGEST

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Vol. XXIII, No. 72 Section 1 December 24, 1926.

KANSAS CROPS

An Associated Press dispatch to-day from Topeka states that agriculture in Kansas has experienced one of its best years since the deflation period which followed the World War. The State Board of Agriculture yesterday estimated at $469,488,858 the value of all crops and livestock produced on Kansas farms in 1926. The third largest wheat crop in the State's history represented more than one-third of the total income from farming. Wealth produced on Kansas farms in 1926 was about $47,000,000 larger than the average for the last five years. In 1924 the State had the combination of large corn and wheat crops in the same season, giving a greater value than this year.

CROP VALUE

An editorial in The Wall Street Journal for December 23 says: "America's cotton crop is officially estimated at $1,016,346,000 against $1,597,670,000 in 1925. Thus, the money return to the producers will be $581,000,000 less than the crop of a year ago or of the two preceding years. Here is a lesson for diversified farming. ....It will be much better to look to the future and try to get a lesson from this debacle. Here is a crop of 18,600,000 bales of cotton actually valued at $1,016,346,000, while one of 16,103,679 bales a year ago had a money value to the producers of $1,597,670,000. This gives the consuming world an opportunity to accumulate cheap cotton, but if the producers carry on this program where will they be in the near future? Their program of overproduction beyond the world's needs, if followed, would mean total bankruptcy. It is well to have an abundance of cotton, but the best interests of all will be better served if it can be at a fairly stable price that will give a profit to both producer and consumer. It is fortunate that the South has for several years been getting out of the rut of one-crop farming. Never before has cotton come so near to being a surplus crop. This fact saves the situation for the South, but many who have clung to tradition will find a lean year ahead of them. The crop is worth about 63 per cent of that of 1925. Inevitably the individual gross return must average a third less than a year ago. In such circumstances the ground should be fairly well prepared for the teaching of a saner system of farming. ...."

AYRES ON BUSINESS OUTLOOK

Col. L. P. Ayres, vice president, Cleveland Trust Company, in Commerce and Finance for December 22, says: "General business is now prosperous, and this is especially true of industry and transportation. The credit supply is ample, and fundamentals are sound. Under these conditions it would appear reasonable to conclude that business conditions next year would probably continue to be about what they have been this year. But the farmers have suffered severe disappointments. Agricultural prices are falling, and getting seriously out of line with industrial prices. There has been rather more than the normal seasonal reduction of output in the automobile industry. Building construction appears to be slowing down. The textile industry has had a poor year. There may be a coal strike in the spring. Such facts as these might well make it seem more likely that next year promises to be a period of rather less good times than we have had in 1926. ...."

Section 2

Canadian Milk in New York

The New York Times of December 23 reports: "An increase in the cost of milk to consumers in New York City -- possibly three to five cents a quart -- and an immediate and serious stringency in the city's milk supply, will result if the United States Senate passes the Lenroot-Taber bill, Dr. Louis I. Harris, Commissioner of Health, declared December 22. The bill, which Dr. Harris said was 'railroaded' through the House, provides for an embargo on all milk shipments from Canada. ....'If this bill were adopted by both Houses,' said Dr. Harris, 'its effect would be not only to cut off a large source of the city's milk supply, but it would further result in having the cities of New England and upper New York State compete with this city for the output of up-State and Vermont dairies. The inevitable result would be that the cost to the consumers would go up. If the provisions of the bill were modified to say that Canadian milk brought into the United States must conform to a bacteriological, chemical and sanitary standard equal to that demanded by the City of New York, then the bill would be a measure of public service. It would make the United States Government an ally in our campaign to raise the general standards. ...'"

Cotton Production

An editorial in The Wall Street Journal for Dec. 22 says: "Which should a farmer raise -- cotton worth $70 or $37 a bale? One would naturally say the $70 kind, but unfortunately the majority of farmers make no attempt to raise that variety. In fact, they do not seem to realize that the question of better prices is involved in that of producing better cotton. In one of the articles running in this newspaper on southern agriculture, it is shown that at present prices for spot cotton in New Orleans, 1-1/16-inch length, grading middling, would sell for $70 a bale. The same grade, but 1/16 of an inch shorter, would sell for $62.50, and a short staple of a lower grade $36.85. Between the two extremes is to be found cotton production at a loss or a profit. ....Long-staple varieties or premium cottons have been so developed of late that they can be raised in nearly every part of the cotton belt. They are also as early as the shorter lengths, and in most cases yield as much per acre. It would seem that with even a premium of 150 points above the ordinary prices, farmers would be eager to raise a long-staple cotton. Yet nothing of the kind is the fact. If any preference whatever is shown, it is for the variety known as half and half, which derives its name from the fact that it gins out about one-half lint and one-half seed. But it is an inferior cotton, and spinners will not pay as much for it. Farmers, therefore, raise cotton which will sell at a discount, instead of that which will sell at a premium. There is some justification for this, because the country buyer pays the same price for all that is brought to him or sold on the street. In such case the farmer, looking no further than the present, naturally will raise what will produce the most pounds to the acre. Whose fault is that? Here is a matter for southern readers to think over. The South is throwing away the opportunity of receiving much larger money return for its cotton crop through the production of a superior class of cotton. There are, literally, millions in it, and yet the South jogs along in the old way of raising something that is charitably called cotton. ...."

Farm Relief Bills

An editorial in The Baltimore Sun for December 22 says: "One of the most alarming features of the entire agitation for far-reaching legislative action in relief of the western farmers has been the will-

ingness of members of Congress representing western constituencies to surrender their independence as men and as representatives of the people to the will of one or another of the agrarian organizations. To bow to a permanent and settled general policy favored by the people of a district may be, and often is, permissible upon the part of a Representative, even though the Representative be not in agreement with that policy. But that is entirely different from bowing to specific demands for specific measures arising in a time of stress and anger and dealing with intricate matters of finance. No Representative is justified in surrendering a personal opinion contrary to demands of that character. Yet it has been common knowledge that members from the West have supported subsidy schemes in which they had no confidence whatever; schemes which, they knew, were likely to involve the Government in serious losses and, in the long run, were likely to multiply the farmers' troubles rather than decrease them. ...."

Section 3
MARKET QUOTATIONS

Farm Products

Dec. 23: Livestock quotations at Chicago. Top price on hogs at $11.75 and bulk of sales at $11.25 to $11.55.

Maine sacked Green Mountains $2.85-$3 per 100 pounds in eastern markets. Wisconsin Round Whites $2.20-$2.30 carlot sales in Chicago; $1.90-$2.10 f.o.b. New York Danish type cabbage $24-$33 bulk per ton in terminal markets and held firm at $20-$21 f.o.b. Rochester. Midwestern yellow onions in Chicago at $2-$2.25 per 100 pounds and $2.50-$3 elsewhere. F.o.b. sales ranged $1.85-$2.50. New York Rhode Island Greening apples $3.75-$4 per barrel in New York City. Michigan Jonathans $4.75-$5 in Chicago.

Grain prices quoted December 23: No. 1 dark northern Minneapolis $1.43 to $1.47. St. Louis $1.38. No. 3 yellow corn Minneapolis 74¢; St. Louis 75¢; No. 3 white oats Minneapolis 46¢; St. Louis 48¢.

Average price of Middling spot cotton in 10 designated markets declined 3 points, closing at 12.03¢ per lb. December future contracts on the New York Cotton Exchange declined 6 points, closing at 13.02¢, and on the New Orleans Cotton Exchange they declined 2 points, closing at 12.45¢.

Closing prices on 92 score butter: New York 52¢; Chicago 49 1/2¢; Philadelphia 53¢; Boston 52¢. (Prepared by Bu. of Agr. Econ.).

Industrials and Railroads

Average closing price	Dec. 23,	Dec. 22,	Dec. 23, 1925.
20 Industrials	160.22	160.29	155.98
20 R.R. stocks	121.95	121.53	111.11

(Wall St. Jour., Dec. 24.)

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Vol. XXIII, No. 73 Section 1 December 27, 1926.

THE PRESIDENT'S PROGRAM

The New York Times to-day says: "With Government reports indicating that business conditions will remain normal in 1927, President Coolidge is represented as intending to concentrate more largely upon domestic questions.....The administration is devoting itself to a more intimate study of American life and prosperity. President Coolidge has under consideration a compromise farm relief program which may be urged on Congress. Reduction of taxes, national prohibition and consolidation of the railroads to bring about reduced rates for the benefit of farm producers are some of the questions now before the President and upon which he is expected soon to have something to say....."

NAGEL FORMS FARM BODY

An Associated Press dispatch to-day from New York says: "Appointment of the business men's commission on agriculture to inquire into the agricultural problem and its relation to the economic life of the United States, was announced yesterday. Charles Nagel, of Kirby & Nagel, St.Louis, announced that he had accepted the chairmanship and would be associated with Robert W. Bingham, publisher of the Louisville Courier-Journal and the Louisville Times; E. N. Brown, of New York, chairman of the St.Louis-San Francisco Railway Co.; E. M. Herr, of New York, president of the Westinghouse Electric & Manufacturing Co.; J. G. Lonsdale, president of the National Bank of Commerce, St.Louis; John Stuart, president of the Quaker Oats Co., Chicago; Alfred H. Swayne, vice president of the General Motors Corporation, New York, and Paul M. Warburg, chairman of the International Acceptance Corporation, New York. Frank D. Graham, professor of economics at Princeton University, will act as economic adviser. The commission was created jointly by the National Industrial Conference Board and the Chamber of Commerce of the United States. Mr. Nagel said that while information and suggestions would be sought from leaders in all fields and business and agricultural activity 'the commission's findings and recommendations must be entirely its own, uninfluenced and free even from the policies and attitudes of either of the two organizations that have cooperated in organizing the commission.' The commission, he said, will by studies and hearings throughout the country seek to ascertain the nature of the agricultural problem and its causes. 'The agricultural problem, whatever its causes, is a national problem of immediate concern to all business groups,' he explained. 'It affects our entire economic life as well as our national security.'"

BUSINESS

A decrease in manufacturing activity during November and December with mineral production maintaining a high level was reported by the Federal Reserve Board in a summary of general business and financial conditions made public yesterday. Wholesale prices were reported at the lowest level in more than two years, while firmer money reflected the usual seasonal requirements in connection with holiday and end of the year activities...Automobile production declined sharply in November, reaching the lowest level since August, 1925...."

Section 2

Exports

Exports for the first nine months of 1926 again overtook imports, but the total values for the period were below those of 1925, says a statement issued by the foreign commerce department of the Chamber of Commerce of the United States. This was accounted for by declines in values of cotton and copper and other industrial materials. The chamber's statement, which is based on a foreign trade analysis for the first nine months of the year, shows that a number of leading American exports established new records in either value or quantity for the first three-quarters of the year. Export records were set during that period by automobile, gasoline, agricultural machinery and implements, crude petroleum, rosin, construction and conveying machinery, mining and quarrying machinery, musical instruments and typewriters. It is pointed out that "although the value of raw cotton, $478,000,000, was 25% below last year's figures, it ranks as the fifth largest value in our history, having been exceeded only in 1919, 1920, 1924 and 1925. The quantity exported, 4,661,000 bales, was the sixth largest in 20 years, having been exceeded only in 1907, 1912, 1915, 1916 and 1925. The sales of this cotton were made at prices ranging from 18.5 cents, September average, to 21.4 cents a pound, the January average...."

Imports

Imports for the first nine months of this year have been exceeded only once, in 1920, as shown in an analysis of this country's foreign trade made by the foreign commerce department of the Chamber of Commerce of the United States. Imports for the nine-months' period totaled about three and one-third billion dollars, being 8 per cent greater than in the same period a year ago. "However," the chamber's report says, "imports recently failed to maintain their high monthly averages of the earlier months of the year. Imports for the second quarter of the year were 15% lower than those of the first quarter and the third quarter's figures show a loss of 3 1/2% from those of the second quarter, decreases much greater than the normal seasonal decline. Although the price of crude rubber declined severely during the first nine months of 1926, that commodity remained our leading import, breaking all records in value and volume, with raw silk second, coffee third, sugar fourth, and newsprint paper fifth. The price decline in rubber was marked. During the first three months of the year we imported 263 million pounds of crude rubber, valued at $202,000,000, or about 77 cents a pound. The second quarter's imports fell to 200 million pounds, valued at $120,000,000, or 60 cents a pound. The third quarter's imports amounted to 225 million pounds, valued at only $90,000,000, or 40 cents a pound--an average decline in nine months of 37 cents a pound.....Coffee receipts broke all records both in quantity and value, 1,076,000,000 pounds, valued at $238,000,000, or about 22 cents a pound--a 16% gain in quantity and a 14% gain in value over last year.....Wood-pulp imports amounting to more than one million tons, valued at $66,355,000, also set new records, being 3% greater in quantity and 10% higher in value than a year ago..."

Production Control

The Wall Street Journal for December 24 says: "Collapse of the foreign controlled monopolies in the production of rubber and coffee during the coming year is expected in high Government quarters here. Weakening prices for these commodities during the past year are considered to have reduced their grip on American markets. Failure of

these controls is anticipated as the result of natural economic causes in both the British colonies in Brazil. It is pointed out that the Government of Ceylon has protested to the British Colonial authorities against the continuance of the Stevenson plan for limiting rubber production. Their argument is that restriction of production in the British controlled areas leads to increased output in foreign territories and that the economic life of the island, which depends on rubber, is jeopardized by the Stevenson plan. Collapse of the Brazilian control of coffee production is expected here to result from overproduction. Brazil now has a stock of 4,000,000 bags of coffee on hand and a 21,000,000-bag crop. World consumption of coffee is estimated at about 16,000,000 bags annually. Continued low prices are counted upon to wreck the Brazilian scheme of control...."

Radio and Railroads H.J.Plumpof, superintendent of the Kansas division of the Union Pacific Railroad, said at a hearing before the Public Service Commission in Topeka, December 16: "The farmer 'keeps an ear on the radio, and suddenly decides to sell grain or livestock. In the old days the railroads could prepare for heavy shipments at certain periods, he added, but now their estimates of car loadings in rural areas frequently are upset by sudden market changes."

Rubber Company in Philippines: A Manila dispatch to the press of December 18 says: "The first foreign rubber corporation to apply for a license to do business in the Philippines since the rubber agitation began was the Mindorsa Rubber Plantation Company, a New Jersey corporation. The company was formed as the result of an extended visit in Manila in 1924 by J.F.Corsey, its president. The company plans to plant 2,000 acres with rubber trees on the Island of Mindanao during the next four years."

Rural Sociology The New York Times Book Review for December 19 contains a review of "The Expansion of Rural Life," by James Mickel Williams, Ph.D., which says: "Professor James Mickel Williams, whose volume 'Our Rural Heritage' showed an astonishing insight into the psychology of the early American farmers, has in 'The Expansion of Rural Life' carried his analysis of rural attitudes through the period of profound change that has taken place in the last forty years as a result of the breaking down of the farmer's former isolation by the automobile, the telephone, the radio and moving pictures....To-day the farmer is tending toward cooperative enterprise. He is seeking the aid of science. He is looking toward earning more than a bare living and wishes to enjoy the comforts of the world. He is no longer isolated....."

Wool Situation The press of December 26 reports: "Not a great amount of business is going on in wool at present. The mills appear to be well supplied for their immediate needs and are not at all anxious to secure surplus stocks. As special varieties are needed they are purchased, and there is nothing to be gained by trying to forestall the future, because the supplies are ample. The wool clip of 1926 is estimated at 3,024,500,000 pounds, which is over 26,000,000 pounds in excess of that of last year. The Australian output 1925-6 made a new record of 2,370,000 bales and that of New Zealand was 585,900 bales, about 5,000 bales below the 1925 clip.The 1926-7 output of both countries is expected to show an increase over the preceding year. Larger production is also expected in all the other principal wool-growing countries...."

(No market reports on account of holidays.)

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Vol. XXIII, No. 74 Section 1 December 28, 1926.

FARM LOAN BOARD EXPLAINS BILL The press to-day says: "Misunderstanding among some members of the Farm Loan Board over the proposed amendment to the Federal Farm Loan Act, providing for an independent examination of Farm Loan Banks by the Secretary of the Treasury, was cleared up yesterday by means of an analysis of the bill sent out by the board. The suggested legislation will not in any way alter the administrative duties of the board, it was said, but will bring the land bank system into closer accord with the comparable practices in the national banking system by transferring the examination duties to the Treasury Department. The amendment does not remove from the board the power either to require reports or to make special examinations...."

FARM TREND NOTED The New York Times to-day says: "There is a very apparent trend toward return to the farm on the part of country-born folk drawn city-ward during the period of farm depression, according to the fourth annual survey of farm land market conditions recently compiled by the National Association of Real Estate Boards. The survey is based on reports from 127 communities in the United States and Canada, and shows, among other outstanding features of the farm lands situation, that prices, though having a tendency to advance, are fairly stable at a level below that of 1920, but higher than that of 1914. As a result of the study of farm conditions, there is also indicated a greater optimism than existed last year among farmers and indications of ample credit facilities. Of the 127 communities replying, 56 per cent report the market more active than last year, 28 per cent the same, and but 16 per cent less active, the North Central and Central Eastern sections, the Mountain and Pacific States, and Canada, reporting uniformly good markets for the sale of farm lands. The predominant reason for farm purchase at present is the occupation of the farm as a home and its conduct as a business, the survey finds. Eighty-five per cent of the communities reporting show this condition....."

NEW YORK OATS FUTURES MARKET The New York Times to-day reports that Axel Hansen, chairman of the grain futures committee of the New York Produce Exchange, said yesterday that commencement of trading in oats futures on the exchange Monday would make New York more important as a grain trading center. He said: "Buffalo has for many years been the point from which oats are distributed in the eastern districts, whether the oats were destined to points in New England, which for a decade or more has been among the largest buyers of western oats, or whether the destination was in New York, New Jersey or Pennsylvania. As the delivery point of the New York grain futures market is Buffalo, the requirements of oats distributers as well as oats buyers in the East are well reconciled. The speculative incentive which always follows in the wake of cash grain transactions will lend the necessary breadth and stability to the new market."

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Section 2

Agricultural Score Card

An editorial in The Indiana Farmer's Guide for December 25 says: "W.T.Martindale, director of organization for the Indiana Farm Bureau Federation, has worked out a comparison of industry, labor and agriculture on a score card basis that is interesting and should prove helpful to those working for the improvement of agriculture. He enumerates four fundamental factors involved in the economic welfare of the three groups and has given each factor a percentage rating in each of the groups. These four factors are organization, economical production, merchandising and surplus control. According to Mr. Martindale's score card, in industry, organization has a rating of 75, economical production, 80, merchandising, 90, and surplus control, 100, giving an average rating of 86. In labor, organization has a rating of 60, economical production, 80, merchandising, 90, and surplus control, 70, with an average of 70. In agriculture, he rates 30 for organization, 80 for economical production, 20 for merchandising and 5 for surplus control, an average of 33 for the group. It is worthy of note that the three groups stand on an equality in respect of economical production, but industry is well above the other two groups in the other three factors, being perfect in surplus control, while agriculture can show but a very low rating on that factor. Neither does agriculture stand high on organization and merchandising, although something has been done along that line. Mr. Martindale is using this score card to emphasize the weak places in American agriculture, and to point out where improvements should be made. He uses it as an efficient argument in favor of legislation providing for the control of farm surpluses. His conclusions from the study are summed up in the following statement, brief and to the point: 'Double, at least, the membership in farm organizations, using those organizations as the means of bringing about national legislation that contains methods whereby the producer not connected with the cooperative association is required to help bear the cost of handling the surplus of a given commodity. This in turn will strengthen our merchandising or cooperative marketing associations and should raise our score to something near that of industry and labor.'"

British Dairy Produce Report

An editorial in The Journal of the (British) Ministry of Agriculture for December says: "The Imperial Economic Committee, appointed to consider the possibilities of improving the marketing and preparing for market of foodstuffs produced in the overseas parts of the Empire, has now issued its fourth report, which deals with dairy produce. The committee regarded the supply of fresh milk and cream in the United Kingdom as a domestic problem, since the supplies are almost entirely in the United Kingdom itself, and their inquiry, therefore, was concentrated on butter and cheese. Margarine, which enters to some extent into competition with butter, forms the subject of a supplementary report annexed to the fourth report. The inquiry was somewhat exhaustive and involved investigation into the trade in dairy produce, problems of production, the dairying industries of the Empire, manufacture and transport, marketing of dairy produce, consumption in the United Kingdom, research work and the dairy produce intelligence service. The produce of dairy cows of the United Kingdom is sold mainly in the form of liquid milk, and thus large quantities of dairy produce are imported. Dairy produce, in fact, occupies third place among the main classes of foodstuffs imported, and in 1924 the value

totaled 70,000,000 pounds. Of this amount butter and cheese imports represented 63,000,000 pounds, out of which no less than 33,000,000 pounds (52 per cent) was paid to Empire countries. The committee states that the demand for liquid milk is likely to increase, and, coupled with this, the fact that the consumption of butter and cheese is increasing, makes it evident that the market here for butter and cheese is expanding and likely to expand further. The demand for cheese in the United Kingdom is already met from within the Empire to the extent of 90 per cent, and the committee's attention has, therefore, been largely concentrated on the question of butter supplies...."

Canadian Wheat Imports — In the last five crop years the United States, normally a heavy exporter of wheat and flour, has imported on an average of 16,000,000 bushels a year from Canada, says a survey by the Food Research Institute of Stanford University, Cal. Because of transportation facilities, most of this wheat is milled in or near Buffalo. The larger part is imported duty free for milling in bond into flour for export. The survey says that Canadian milling interests oppose this practice, but economic considerations and accepted international policy favor its continuance. It is said that unless restricted by Government action, such imports will tend to increase as American wheat becomes too expensive to mill into standard flour for export.

Export Trade — American export trade with most of the world, especially Europe, improved decidedly during the third quarter of the year as shown in a foreign trade analysis made public by the foreign commerce department of the Chamber of Commerce of the United States. The report says: "European demand for our exports, weak during the first half of 1926, picked up materially during the third quarter. The decline in our shipments to Europe for the nine months of 1926 amounted to less than $260,000,000 as compared with a decline of $270,000,000 shown by figures for the first half of the year. Although purchases of American goods by the United Kingdom, our leading market, were not so large as a year ago, a decided improvement was made in third quarter over the severe decline shown by the first half of this year. Exports from this country to the United Kingdom for the first nine months of 1926 were lower than last year by only $31,000,000, or 4%, whereas at the end of the first six months of 1926 the figures showed a decline of $63,074,000, or 13%. Most of the larger European markets made similar improvement in the third quarter, although continuing to show declines for the year to date. Exports to Germany were lower by $113,579,000, or 34%; to Italy, $42,441,000, or 28%; to Belgium, lower by $17,060,000, or 19%; to Netherlands, lower by $12,522,000, or 11%; to Russia, lower by $11,779,000, or 20%; to France, lower by $10,528,000, or 6%; to Spain, lower by $8,272,000, or 15%; to Greece, lower by $6,053,000, or 41%; to Poland and Danzig, lower by $2,687,000, or 50%. Five minor European markets have increased their purchases this year; Irish Free State, Portugal, Rumania, Czechoslovakia, and Austria. Exports to the Irish Free State more than doubled, increasing $6,739,000, or 137%....."

Wheat Surplus — An editorial in The Northwestern Miller for December 22 says: "It is an interesting circumstance that, while politics is engaged in noisy strife over the problem of equalizing, stabilizing or otherwise 'izing' the surplus wheat production, the Government as an operating

institution overlooks a simple way of solving it by encouraging domestic consumption to dispose of the surplus by eating it. This could not at once account for all of the two hundred million bushels surplus, but it could begin to account for it and thereby lessen the difficulty until the inevitable time when increased population will leave no problem to be solved. This obviously would not be a proper province of Government. Yet neither is scheming to benefit one part of the people at cost of another by an 'equalization' fee a proper province of Government. The first has precedent in its favor, for it is not so many years since the Department of Agriculture....industriously employed itself in trying to reduce the consumption of wheat flour. Even now, virtually all of the propaganda directed against white flour, which is the only form in which people generally care to eat wheat, has at least the passive, if not the actively benevolent, approval of various departments of Government. If all of the forces of Government which have from time to time influenced reduced consumption of the principal product of wheat had been used to aid instead of injure, the surplus production problem would not be nearly so great as it now is. Furthermore, if even a small part of the energy being directed to facilitate wheat exportation by improved waterways and lowered freight rates could be used to encourage the greater eating of wheat products at home, the desideratum would be obtained much more easily...."

Section 3

MARKET QUOTATIONS

Farm Products

Dec. 27: Livestock quotations at Chicago: Top price of hogs at $12.10 and bulk of sales at $11.50 to $11.85.

Maine sacked Green Mountain potatoes $2.95-$3.10 per 100 pounds in eastern markets; bulk stock $2.35 f.o.b. Presque Isle. Northern sacked Round Whites $2.20-$2.40 carlot sales in Chicago and $2-$2.10 f.o.b. New York Baldwin apples $2.75-$3.50 per barrel in eastern markets; few sales $2.75 f.o.b. Rochester. New York and Michigan Rhode Island Greenings $4-$4.50 in Chicago. Midwestern yellow variety onions $2-$3 sacked per 100 pounds in consuming centers. New York stock $2-$2.65 in eastern cities and $1.85-$2.25 f.o.b. New York Danish type cabbage $25-$32 bulk per ton in terminal markets; $20-$21 f.o.b. Rochester. Florida Wakefield $1.75-$2.25 per 1½ bushel hamper in a few cities.

Closing prices on 92 score butter: New York 53¢; Chicago 50½¢; Philadelphia 54¢; Boston 53¢.

Closing prices at Wisconsin primary cheese markets: Single Daisies 25¼¢; Longhorns 26½¢.

Average price of Middling spot cotton in 10 designated markets advanced 19 points, closing at 12.25¢ per lb. January future contracts on the New York Cotton Exchange advanced 22 points, closing at 12.64¢, and on the New Orleans Cotton Exchange they advanced 26 points, closing at 12.71¢.

Grain prices quoted: No.1 dark northern Minneapolis $1.44-$1.58. No.2 red winter St.Louis $1.38. No.3 yellow corn St.Louis 75¢; Minneapolis 72¢; No.3 white oats St.Louis 48¢; Minneapolis 46¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Dec. 27,	Dec. 24,	Dec.24,1925
	20 Industrials	159.32	160.16	157.01
	20 R.R. stocks	121.35	121.58	111.58

(Wall St. Jour., Dec. 28.)

DAILY DIGEST

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Vol. XXIII, No. 75 Section 1 December 29, 1926.

THE PRESIDENT FORESEES PROSPEROUS YEAR

The press to-day reports: "President Coolidge, it was made plain at the White House yesterday, believes that every present index points to continued prosperity in 1927, with the United States at the end of next year on a sound economic basis. He does not regard his own views on business prospects as any more entitled to credence than those of other persons with like information, but his information, obtained from Government sources, leads him to see little change next year and nothing appearing now that ought seriously to disturb present prosperity.....Prosperity exists in nearly every section of the country except in the wheat and cotton sections, the President finds. Even the South, the President believes, will be able to emerge from the present depression resulting from low prices on cotton. The condition of railroads and their contracts for equipment next year also are factors, he thinks, that are going to aid business next year...."

LOWDEN ON FARM PRICES

An Associated Press dispatch to-day from St.Louis says: "Some means for stabilizing prices of farm products should be found 'in the interest of the consumer as well as of the producer,' Frank O. Lowden, former Governor of Illinois, said last night in an address before the American Farm Economics Association. This stabilization of prices, he said, must be at a point covering cost of production with sufficient profit to induce the farmers to go on producing. 'A surplus of the staple products of the farm,' he continued, 'is inevitable and necessary. The nation that holds this surplus is the richer for having it. Industry can plan the better for the future if it knows in advance that we shall have enough of food and raw materials.' Lowden explained the suggestion of a Federal farm board for such a program of stabilization, and listed what he termed defects in the argument that such a plan would result in greatly increased production, with a surplus so large as to become altogether unmanageable. 'In the first place,' the speaker said, 'the argument assumes that in agriculture, as in industry, unsatisfactory prices result shortly in reduced production. This is not so. And then the argument proves too much. If it be true that the farmer will overproduce simply because he is getting for his product cost of production with some profit, it follows that the farmer must always sell his product at less than the cost of production. This can not be so unless we are to revise completely our economics.'...."

ARGENTINE EXPORTS

An Associated Press dispatch to-day from Buenos Aires says: "Acting upon several communications from the United States Federal Horticultural Board, which has refused to accept fruit from Argentina at the port of New York, the Minister of Agriculture has ordered another inspection of the fruit zones in several provinces to determine if any insect pests are present. The Minister will authorize the exportation to the United States of fruit only from those regions found free from infection...."

Section 2

Bankers and Farming

An editorial in The Journal of Commerce for December 27 says: "The president of the State Bank division of the American Bankers Association has issued on behalf of his executive Committee, what is described in the news columns as an 'indorsement of plans before Congress to provide American agriculture with a sound marketing system as a means of stabilizing prices.' This indorsement has taken the form of resolutions on the part of the executive committee in question. To begin with, the committee expresses the opinion that 'agriculture is and always has been handicapped as an industry because of the lack of a system of orderly marketing.' From this, it argues, that because of such a lack the industry is now suffering from 'depression that will ultimately affect the entire business life of the Nation.' Finally, the conclusion is reached that because of the conditions thus set forth the committee 'heartily indorses the efforts now being made by Congress to create a sound, workable system of orderly marketing.' The chief reason assigned for such indorsement is that the plan which is sought by Congress will tend to 'stabilize prices' by enabling the farmer to 'mobilize his crop surplus.' Just what does this lengthy and wordy resolution mean? Is it intended as a veiled indorsement of the McNary-Haugen bill, or, if not, then what is its significance?... Perhaps this blanket indorsement may have been merely a slip of the pen or one of those ambiguous expressions that are so common in resolutions adopted by our business bodies. But, when the bankers' executive committee assert that 'by mobilizing' the crop surplus it will be possible to stabilize prices, they seem to mean that they are in favor of some plan to withdraw a crop surplus from the market and hold it for the purpose of raising prices....This is fairly dangerous doctrine to come from a bankers' organization, particularly when it is coupled with the statement that the trouble with agriculture is the lack of a 'marketing system'. Agriculture has never lacked a marketing 'system' as is witnessed by our elevators, our cotton warehouses, our produce and cotton exchanges, our facilities for dealing in shipping and disposing of almost every kind of agricultural product...."

Business Men's Agricultural Committee

In an editorial on the recently formed business men's agricultural committee, headed by Charles Nagel, The Journal of Commerce for December 28 says:"....Probably there has never been any subject that has been so exhaustively studied from every standpoint as American agriculture. The inquiries of the Department of Agriculture are familiar; those of the various farm organizations, farm newspapers and the like are equally well known. Of recent years there has been a very great output of books on the problems of marketing, banking, borrowing and financing involved in agriculture, so that there is a really enormous literature on every phase of the subject. Just what can this business men's commission add to what has already been ascertained? Probably there is little of a factual nature that it can uncover. Indeed, what its announcement seems to aim at is not new data but 'sound national policy.' Such a policy is undoubtedly much needed, but whether it can be attained through the efforts of business men remains to be seen. There is reason for thinking that there is much more in the problem than is dreamed of in the philosophy of Mr. Nagel and most of his associates."

Cotton An editorial in The Wall Street Journal for December 28 says: "If the law relating to cotton crop reports is amended, it is likely to contain a provision for an estimate of the number of untenderable bales in the crop. In order to treat everybody alike, why not go still further and provide for an estimate of the number of unspinnable bales? If the one is desirable, so also should be the other....Such lower grade cotton is on the market exactly as before it was made untenderable. The markets put prices on those different grades, giving them, of course, a discount from the middling base. They sell for what they are worth as they always did. The grades are bought and sold and consumed in the mills as before they were outlawed from being tenderable on 'future' contracts. But in every crop, according to weather, there is a certain proportion of cotton that is not fit for spinning purposes. This, of course, would be included in any official estimates of the untenderable bales. If there is any market reason why the number of bales that are tenderable on future contract should be officially set off from those that are untenderable, most assuredly the amount of cotton that is unspinnable should be set off from that that is spinnable in the lower grades."

Georgia's Closed Banks Make Payment An Atlanta dispatch to the press of December 26 says: "The State banking department announced December 25 that nearly $500,000 has been paid to depositors in 22 of the Georgia banks that failed last July following the closing of the Bankers Trust Co. of Atlanta, fiscal agent of the banks. The total payments, amounting to $480,535.19, represent 10 to 80 per cent of the total due depositors in the various institutions. In addition to the 58 banks now in process of liquidation, 39 of the closed institutions have either resumed business, been sold or turned over to depositors for liquidation. These 39 banks have appraised assets of $6,327,964.72, it was said."

"Master Farmers" An editorial in Wallaces' Farmer for December 24 says: "In Chicago the other day, the Prairie Farmer presented medals to fifteen Illinois farmers. Just one year ago, it presented Master Farmer medals to twenty different farmers, two from Wisconsin and eighteen from Illinois....The Prairie Farmer has established a splendid precedent in honoring the farm leaders of its State. Like honors are being bestowed this year in a number of other States. Wallaces' Farmer, for instance, will hold its Master Farmer dinner the second week in January. The recognition accorded farmers who are not only leaders in operating their farms, but likewise in community development, is not only an inspiration to those who receive the honor, but also to other farm folks who have the ambition to make their efforts to build a prosperous agriculture and a prosperous community count for the most."

Potash Price in Germany A Berlin dispatch to the press of December 27 states that among the outstanding trade developments of last week in Germany was the decision of the National Potash Council to raise potash prices by an average of 9½ per cent. No reasons have been officially assigned for this decision, which was voted unanimously, but with representatives of the workers abstaining from the voting. It is understood, however, that the higher prices were based on increased cost of production due to a recent 3 to 4 per cent advance in wages; also to heavier interest charges on the industry's foreign debts, notably its English loan.

Section 3
MARKET QUOTATIONS

Farm Products Dec. 28: Chicago quotations as of December 28: Hogs, top, $12, bulk of sales $11.50 to $11.90. Beef steers (1500 lbs.up) Choice $10.25 to $12.75, good $9.50 to $12.25, medium $8.50 to $10.25, common $6.50 to $8.50. Heifers, good and choice, $6.75 to $11.50, common and medium $5.50 to $7.75. Cows, good and choice $6.25 to $7.50, common and medium $5 to $6.25, low cutter and cutter $4.25 to $5. Vealers, medium to choice, $11.00 to $13.50, heavy calves medium to choice, $6 to $8.50. Stocker and feeder steers, common to choice $5.75 to $8.25. Fat lambs, medium to choice, $10.85 to $13.25, yearling wethers, medium to choice, $8 to $11, ewes, common to choice, $4.25 to $6.75, feeding lambs, medium to choice, $10.75 to $12.50.

New York wholesale quotations on good grade, western dressed, fresh meats as of December 28: Steer beef $15 to $17, veal $18 to $20, lamb $21 to $24, mutton $11 to $13, light pork loins $22 to $24, heavy loins $18 to $21.

Maine sacked Green Mountain potatoes sold at a range of $3-$3.10 per 100 pounds in eastern markets; bulk stock $2.45-$2.50 f.o.b. Presque Isle. Wisconsin sacked Round Whites $2.35-$2.50 carlot sales in Chicago; $2.05-$2.10 f.o.b. Waupaca. New York and Middlewestern yellow onions ranged $2.25-$2.85 sacked per 100 pounds in consuming centers; $2-$2.50 f.o.b. New York Danish type cabbage closed at $22-$32 bulk per ton in terminal markets; $20-$21 f.o.b. Rochester. Florida pointed type $1.75-$2.50 per 1½ bushel hamper in a few markets. New York Rhode Island Greening apples sold at $3.50-$4.75 per barrel in leading city markets. Baldwins mostly $3-$4.00 to jobbers and $2.75 f.o.b. Rochester.

Average price of Middling spot cotton in 10 designated markets declined 4 points, closing at 12.21¢ per lb. January future contracts on the New York Cotton Exchange declined 5 points, closing at 12.59¢, and on the New Orleans Cotton Exchange they declined 8 points, closing at 12.63¢.

Grain prices quoted: No.1 dark northern-Minneapolis $1.41-$1.45; St.Louis $1.37. No.2 hardwinter Kansas City $1.37. No.3 yellow corn St.Louis 74¢; Minneapolis 72¢; Kansas City 73¢. No.3 white oats St.Louis 47¢; Minneapolis 45¢; Kansas City 48¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Dec. 28,	Dec. 27,	Dec.28,1925
	20 Industrials	157.19	159.32	156.87
	20 R.R. stocks	120.02	121.35	112.25

(Wall St. Jour., Dec. 29.)

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DAILY DIGEST

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Vol. XXIII, No. 76 Section 1 December 30, 1926

PEPPER ON ROAD LEGISLATION

Senator Pepper of Pennsylvania yesterday proposed to the Senate agricultural committee, with a view to stabilizing prosperity, that Congress authorize an appropriation of $71,000,000 whenever new non-governmental road construction in the United States falls, for three consecutive months, one-third below the average for a three-months' period of 1925. The proposal, which was urged as an amendment to the Good Roads program, was referred to a subcommittee, which will examine it and report in turn to the agricultural committee and also to the appropriations committee. (Press, Dec. 30.)

FIRESTONE ON RUBBER CONTROL

An Associated Press dispatch to-day from Paris says: "American rubber manufacturers not only can dominate the domestic market, but can control the world supply if they will take up the culture of virgin rubber, in the opinion of Harvey S. Firestone, jr., who has just returned from Liberia. His three-month inspection of the Firestone Co.'s newly acquired 1,000,000-acre plantation there, the son of the rubber magnate said, showed that the output of that tract alone could free the American market of foreign domination within from 7 to 10 years...."

LOWDEN ADVOCATES GOVERNMENT CHANGES

An Associated Press dispatch to-day from St.Louis says: "Representative government which he said was on the defensive throughout the world, could endure in the United States only if put on a scientific basis, Frank O. Lowden, former Governor of Illinois, declared in an address made at St.Louis last night at the twenty-second annual meeting of the American Political Science Association. The need of reorganizing the Federal Government was generally recognized, he said, and the last five Presidents had recommended such reorganization. As the first step he suggested the creation in all departments of permanent under secretaries who would carry on the work of government, regardless of changes in political administration...."

BRITISH CANNED FOOD LAW

A London dispatch to the press to-day states that regulations prohibiting, with some exceptions, the manufacture and sale of any article of food containing any preservative come into effect Jan.1. Retailers have asked postponement of the regulations till the disposal of old stocks of canned goods, but the Ministry of Health has refused. The dispatch surmises that one effect of the law will be to create a boom in the refrigerating business.

RUBBER CONSUMPTION

An Amsterdam dispatch to the press of December 30 states that J. M. Burger, director in many East Indian companies, said at the annual dinner of the Dutch Rubber Trade Association December 28 that the drop in price of crude rubber was due to the fact that consumption had been less than anticipated.

Section 2

Business Forecast

Conservative optimism is the keynote of business forecasts for 1927 by the Nation's leading bankers and business men, according to a summary of their opinions made public December 26 by The Associated Press. With two successive years of unusual prosperity just drawing to a close, and stock and bond prices around the highest levels ever recorded, it is held to be natural that predictions for the future should be attended with an unusual degree of caution, particularly by those committed with the cycle theory of business. While a number of executives indicate that a slowing down in general business is likely, fundamental conditions generally are regarded as sound and no serious depression is looked for in any responsible quarter. Some concern is expressed over the huge volume of securities owned by banks, over the low price of commodities, particularly cotton and its possible effect on the country's purchasing power, over the growth of instalment buying and over the apparent decline in building construction. However, the ordinary harbingers of business depression, such as inflated prices, high inventories and over-expanded credit are absent, the business leaders say.

Canada's Wool Industry

Excellent progress continues to be made in the Canadian wool industry, according to a bulletin of the Canadian Pacific Railway, which says that the wool clip of the past season amounted to about 11,000,000 pounds, as compared with 10,000,000 pounds in 1925, an increase of about 10 per cent. These figures, confirmed by the Canadian Cooperativ Wool Growers, Ltd., represent only the wool as removed from the mature breeding sheep, and does not include any lambs' or pulled wool. According to the same authority, the wool, for the most part, has been removed in good condition, and there is every indication that gradually a superior product is coming from the producers of wool in Canada.

Potash Prices

An editorial in The Journal of Commerce for December 29 says: "Word has been received from Germany that the Federal Potash Council has voted an average increase of 9½ per cent in potash prices. It is expected that the Minister of Economics, who possesses the right to veto proposals to increase syndicate prices, will consent to these advances, although until recently he has been opposed to such action. The United States Department of Commerce rather gratuitously and solicitously advises the public that prices for potash in this country will no doubt be advanced accordingly. Of course they will be, since it seems that potash export prices must be maintained by the syndicate at a level equal to domestic prices and, in any case, the export markets are better able to stand a rise in price than the German domestic market. The prospect is not extraordinarily serious, however, considering the fact that at the present time potash prices are on the average about 9 per cent below pre-war quotations. The contemplated rise will, therefore, just about bring quotations back to pre-war levels, leaving them still far below what may be called their purchasing power parity on the basis of the existing general price level...."

Virginia Grain Show

A Fredericksburg, Va., dispatch to the press of December 22 states that prizes amounting to $650 will be given to exhibitors in the annual Virginia Corn and Grain Show to be held in Fredericksburg on January 27-28 under auspices of the Virginia Crop Improvement Association. There will be classes in corn, wheat, oats, rye, barley, soybeans, cowpeas, peanuts and red cloverseed.

Section 3

Department of Agriculture

An Associated Press dispatch from Buenos Aires December 29 says: "Criticism of the United States regulations for forbidding the importation after Jan. 1, of chilled meat from countries where cattle have become infected by the foot and mouth disease, was voiced in an editorial in The Buenos Aires Herald. The newspaper declares that Secretary of Agriculture Jardine might have kept Argentine meat out of the United States without adopting a reason which was bound to arouse Argentine ire because of controversy over the possibility of the spread of the contagion through chilled meat. 'Unless the United States Department of Agriculture can bring forward definite proof of the transmission of the disease through chilled meat,' the paper says, 'it would have been far better to have raised a tariff wall without giving any reason for doing so outside of the desire to protect its own meats from foreign competition.'....."

Section 4

MARKET QUOTATIONS

Farm Products

Dec. 29: Livestock quotations at Chicago. Top price of hogs $11.85 and bulk of sales at $11.40 to $11.80.

Maine sacked Green Mountain potatoes at $3-$3.25 per 100 pounds in eastern markets; bulk stock $2.45 f.o.b. Presque Isle. Wisconsin sacked Round Whites at $2.35-$2.50 carlot sales in Chicago; few $2.20 f.o.b. Waupaca. Cabbage $1-$3 lower. New York Danish type $25-$30 bulk per ton in terminal markets; $20-$21 f.o.b. Rochester. Florida Wakefields $1.75-$2 per 1½ bushel hamper in New York City. New York and Midwestern yellow onions $2-$3 sacked per 100 pounds in consuming centers; $2.25-$2.75 f.o.b. New York Rhode Island Greening apples $3-$3.50 per barrel in New York City. Baldwin $3-$3.50 to jobbers and few $2.75 f.o.b. Rochester.

Closing prices on 92 score butter: New York 54½¢; Philadelphia 55½¢; Chicago 51½¢; Boston 53½¢.

Closing prices at Wisconsin primary cheese markets for Dec. 28th: Twins 24 3/8¢; Single Daisies 25¼¢; Longhorns 26¢; Square Prints 26½¢.

Average price of Middling spot cotton in 10 designated markets advanced 5 points, closing at 12.26¢ per lb. January future contracts on the New York Cotton Exchange advanced 5 points, closing at 12.64¢, and on the New Orleans Cotton Exchange they advanced 1 point, closing at 12.64¢.

Grain prices quoted: No.1 dark northern Minneapolis $1.41-$1.45. No.2 red winter St.Louis $1.37. No.2 hard winter Kansas City $1.36. No.3 yellow corn St.Louis 73¢; Minneapolis 73¢; Kansas City 73¢. No.3 white oats St.Louis 47¢; Minneapolis 45¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads

Average closing price	Dec. 29,	Dec. 28,	Dec. 29, 1925
20 Industrials	157.50	157.19	155.83
20 R.R. stocks	120.33	120.02	112.32

(Wall St. Jour., Dec. 30.)

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Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

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FARM LEGISLATION The Associated Press to-day reports: "After a discussion of farm legislation with President Coolidge yesterday Representative Strong of Kansas expressed the opinion that no administration agricultural bill would be offered at this session of Congress because it might give the impression that attempts were being made to head off legislation already pending. The Kansan said he was convinced the administration would look with favor upon any farm bill which was reasonable, practical and gave promise of success in its operation. Higher tariffs on beef, hides and some other farm products were favored by Representative Strong, who blamed agricultural difficulties on the Underwood tariff law."

BUSINESS OUTLOOK An optimistic picture of the business situation as the New Year begins is presented by John W. O'Leary, president of the Chamber of Commerce of the United States. Despite depression in some major industries, Mr. O'Leary sees a higher degree of general prosperity in the country just now than has ever existed in the past. His conclusions were reached after conferences with other business leaders and with Government officials who have given study to business conditions....."There seems to be no disagreement on the facts regarding fundamental soundness of business," Mr. O'Leary says. "Credit is ample for legitimate needs. Inventories are low. Economy in National Government is releasing funds for reduction of debt and at the same time reducing taxation. Notwithstanding exceptional consumption of merchandise and extension of consumer credit, our savings are growing. Confidence in the honesty and integrity of business is continuing and restrictive laws are giving way to self-regulation. Our Federal Reserve System has demonstrated its value through our major deflation period and its strength as a balance wheel in lesser disturbances...."

SULLIVAN ON FARM CONDITIONS Mark Sullivan, writing on "The Next Twelve Months in Government and Politics" in World's Work for January, says: "...There has been, right along, one exception to the country's war-time prosperity. The farmers, especially those of the Corn Belt, have not shared it. That exception gave rise to an organized political demand for a form of relief new in American politics, a kind of peace-time price-fixing. The demand came to a head in Congress in June last year. It failed; but it nearly succeeded. It failed, for one chief reason, because the western corn Republicans could not make a successful alliance with the southern cotton Democrats....Anything spectacular that happens in the present short session of Congress is likely to have the lowered price of cotton as the immediate part of its causation; and is likely to take the form of an alliance between West and South, against the East--all the farmers self-conscious about their present subordination, economic and political, to the factories and organized business....."

Section 2

Agricultural Prices

An editorial in The Journal of Commerce for December 30 says: "According to figures recently compiled by the Department of Agriculture the purchasing power of the farmer's dollar, that is the command over other types of goods possessed by agricultural products, on November 15 was 80 per cent of pre-war. Probably the figure has declined still further during the month or six weeks since that date. Cotton, of course, is in substantial part responsible for this low level of agricultural prices as compared with others, although a number of other farm products are rather distressingly low in price at the present time. The public would do well, however, to realize at all times that the abundance of yields this year are serving, in some measure at least, to offset the low prices ruling. The total value of farm crops is not as small as current price levels would at first glance seem to indicate. Still the disparity between farm prices and other prices is both appreciable and uncomfortable at the present and is likely to remain more or less so so long as we insist upon granting to other producers substantial bonuses which in the nature of the case can not be bestowed upon the farmer."

Farmer "Extravagance"

An editorial in Wallaces' Farmer for December 24, says: "Every week or ten days some one writes in to tell us that the trouble with the farmer is that he runs around too much and spends too much of his money in riotous living. The resulting sour laughter from rural sections has curdled many a gallon of good milk. For the benefit of farmers who would like a few figures to sling around when a matter of this sort comes up, we quote from a new United States Department of Agriculture bulletin on the farm standard of living. On nearly 1,500 farms in the Middle West, the average amount spent for recreation was $24.40. Not every week either, every year. Figuring it down to the basis of one person each week, we find that the average person on Mid-West farms scattered each week with a profligate hand not much less than ten cents. On the hours of work, it seems that 75 per cent of the farmers covered in the survey worked ten and half hours or longer each working day. Only about 5 per cent worked a day of eight and a half hours or less. Our notion, which this bulletin backs up, is that the average farmer works too long hours and doesn't have enough time, energy or money for community activities and for recreation. Most farmers have this in mind when they push cooperation and legislation that will help increase their incomes. We doubt if the middle-western farmers on the average wants more money to buy more land to grow more corn to feed more hogs, and so on. He wants more money to give his family and himself economic security and to make possible better homes, more books, more conveniences, more community improvements, and to permit him leisure time to enjoy all of these. To the folks who think that the farmer is ruining himself by idleness and extravagance, we refer the figures above and add this suggestion: It takes a superman to raise very much cain on the local town's white way after ten hours hard work. It takes a financial genius to do it on an allowance of ten cents a week. If the average mid-west farmer is painting the town red on this basis, he is one of the marvels of the western world."

Margarine Tax

An editorial in The Country Gentleman for January says: "At the general election last November the people of California repealed the two-cent-a-pound tax on margarine. The referendum stood about three for repeal to one against. Oregon and Washington also have repealed their margarine-tax laws. These laws were originally enacted as a measure of

protection for dairy farmers. They were given a fair trial, but the people have decided they do not want them any more. Even the dairymen in those States have not been much concerned. They have come to realize what should have been obvious in the beginning--that consumers eat butter substitutes not through preference but because of necessity. And if necessity compels retrenchment in the food budget what can a law do about it? The use of butter depends upon earnings. A very small number of people would have butter if it cost ten dollars a pound; a larger number would pay five dollars, and a considerable number would pay a dollar a pound. But to put butter in the homes of most of the people the price can not exceed fifty cents. Every cent drop below this price uncovers a new stratum of buyers. It does little if any good to attack substitutes. Moreover, people everywhere are more and more resenting mere prohibitive legislation. What they want is something constructive and positive. Farmers, like other people, sometimes demand measures that are not well considered. The margarine-sales tax appears to be a case in point and the people of the Far West doubtless did well in repealing it. But this law was only one step in a policy of groping to obtain for the dairy industry the same measure of protection accorded to other industries. That is what all agriculture is crying for--protection....A protective tariff may not be able to do so much for producers of other crops, but it is obviously effective for dairymen, and it is a law strictly in accordance with the American economic policy."

Section 3
MARKET QUOTATIONS

Farm Products Dec. 30: Top price of hogs at Chicago to-day $11.60; bulk of sales $11.35 to $11.60. Beef steers show marked declines, the better grades losing most, lower grades of heifers gained somewhat in price but better grades declined.

Maine sacked Green Mountain potatoes $3 to $3.25 per 100 lbs. in eastern markets; bulk stock $2.45 to $2.50 f.o.b. Presque Isle. Northern Round Whites ranged $2.50 to $2.85 in consuming centers; $2.20 to $2.35 f.o.b. Onions irregular. New York and Midwestern yellow varieties ranged $2 to $3 in consuming centers; mostly $2.25 to $2.75 f.o.b. Cabbage tending lower. New York Danish type $25 to $33 bulk per ton in terminal markets; mostly $21 f.o.b. New York Rhode Island Greening apples $3.50 to $3.75 per bbl. in New York City. Baldwins $3 to $3.50 to jobbers and $2.75 f.o.b. Rochester. Grimes $3.50 to $4 in Middle West.

Grain prices quoted December 30: No.1 dark northern Minneapolis $1.42 to $1.46; St.Louis $1.37. No.2 hard winter Chicago $1.43. No.4 yellow corn (new) Chicago 66¢. No.3 yellow corn St.Louis 75¢; Minneapolis 73¢. No.3 white oats Chicago 47¢; St.Louis 47¢; Minneapolis 45¢.

Closing prices, 92 score butter: New York 55¢; Philadelphia 56¢; Boston 53 1/2¢; Chicago 51 1/2¢.

Closing cheese prices at Wisconsin primary markets December 29: Daisies 25 1/4¢; Longhorns 26¢; Square Prints 26 1/2¢.

Average price of Middling spot cotton in 10 designated markets advanced 10 points, closing at 12.36¢ per lb. January future contracts on the New York Cotton Exchange advanced 13 points, closing at 12.77¢ and on the New Orleans Cotton Exchange they advanced 8 points, closing at 12.72¢. (Prepared by Bu. of Agr. Econ.)
